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State Overview

APRIL UNEMPLOYMENT RATE INCREASES TO 3.4 PERCENT

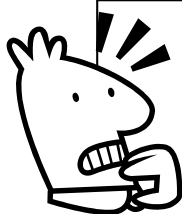
Labor force gains across Idaho's economy in April sent the seasonally adjusted unemployment rate to 3.4 percent. The April rate was two-tenths of a percentage point above March's record low 3.2 percent. It was six-tenths of a percentage point below the 4 percent rate experienced one year ago. It was also 1.3 percentage points below the national unemployment rate.

The national rate remained unchanged at 4.7 percent, down four-tenths of a percentage point from one year ago.

Rebounding after a slight dip in March, employment remained above 700,000 for the 15th consecutive month at 735,500, over 1,800 more than in March and 29,700 more than a year earlier. The number of people still looking for work in April also increased by 1,100 to 25,600 but remained near its lowest level since 1979.

The changes resulted in Idaho's seasonally adjusted civilian labor force that decreased slightly in March once again increasing in April to 761,100, slightly below the record set in February. The increase in the unemployment rate was more due to seasonal factors than economic changes.

March also provided more job opportunities than normal so that people who would have normally gone to work at seasonal jobs in April started in March. The unemployment rate between March and April is unchanged over 50 percent of the time with only minimal changes the rest of the time so a small rise reflects economic stability.



DON'T LET NEXT ISSUE BE YOUR LAST!

The July 2006 issue of Idaho Employment will include a short survey and an opportunity for you to get your monthly newsletter online.

Everything you need will be in the next newsletter, including a postage paid return envelope, but if you forget to return the survey you will be removed from our mailing list! Don't let that happen! You can take the survey online, too. Details to come in the July issue.

The year-over-year comparison offers positive news. Idaho's employment has steadily increased since May 2003. The number of persons working rose 4.2 percent from April 2005 to this April. Nationally, total employment was up less than 2.5 million or just 1.8 percent over the same 12 months. The continued improvement in Idaho's economy and employment situation is further demonstrated by a year-over-year decrease in jobless workers of 3,600. These improvements came as the total labor force grew 26,100, or 3.6 percent, from April 2005.

AREA LABOR FORCE HIGHLIGHTS

Unemployment rates are calculated each month for 10 Labor Market Areas in Idaho — Boise-Nampa, Pocatello, Idaho Falls, Lewiston, Coeur d'Alene, Burley, Rexburg, Twin Falls, Grangeville and Hailey. Table 1 on page 3 lists the counties included in each area.

Six areas had unemployment rates more than 3 percent. Grangeville and Burley had the highest April rates of 4.8 percent followed by Lewiston at 4.4 percent. The other three areas included Pocatello at 3.6 percent, Coeur d'Alene at 3.5 percent and Twin Falls at 3.1 percent. These rates were below the level experienced in April 2005.

The other five areas had rates at or below 3 percent. Hailey was the lowest at 2.6 percent, up five-tenths of a percentage point from March. Idaho Falls was at 2.8 percent while Rexburg and Boise-Nampa each posted rates of 3 percent. These rates were also below the level experienced in April 2005.

County Labor Force Highlights

Idaho's uneven economy is typified by the divergence in county unemployment rates. For April, only one county experienced unemployment in excess of 7 percent — Clearwater at 7.5 percent. Unemployment rates below 3 percent occurred in 10 counties — Franklin at 2.9 percent, Ada at 2.8 percent, Bonneville and Latah at 2.7 percent, Teton at 2.6 percent, Blaine and Madison at 2.5 percent, Lewis at 2.4 percent, Oneida at 2.1 percent and Owyhee at 2 percent. At this time last year, five counties had unemployment rates in excess of 7 percent and four had rates less than 3 percent. Of the counties with a small labor force such as Adams and Teton, a change in the labor force status of just a few persons can significantly affect the unemployment rate.

Agriculture

Idaho agriculture hits full stride in April. Row crops are planted and some irrigation begins along with hay mowing and fruit tree pruning. Year-round livestock activities continue, but April also includes calving, lambing, sheep-shearing and moving herds into rangeland grazing areas. All producers become intensely concerned with production estimates, prices, water, weather conditions and market opportunities. Now is an appropriate time to restate that agriculture is Idaho's primary natural resource industry. It drives the economy of almost all areas of the state and produces products known worldwide.

A SNAPSHOT OF AGRICULTURE IN IDAHO

The Idaho Department of Agriculture published the following information about Idaho's farming and ranching industry.

Idaho had 25,017 farms and ranches with at least \$1,000 in agriculture sales or potential for sales during the year, according to the 2002 Agriculture Census. Farmland totaled 11.8 million acres with an average farm size of 470 acres. Many cattle and sheep ranchers have

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public land grazing permits so their scope of operations is much larger. The Snake River is not only one of the longest rivers in the nation and cuts the deepest canyon from mountain top to river bed in the lower 48 states, but it also is the center of a vast surface and subsurface water system that nurtures a bountiful agricultural industry. This river has afforded Idaho the opportunity to be the number one producer of food-size trout in the nation. This thriving business is located in the Twin Falls-Buhl area of south central Idaho.

Cash receipts were \$4.35 billion for the output of Idaho's agricultural sector in 2004, the most recent data available. The dairy industry leads the way with \$1.4 billion.

Idaho produces 144 commodities statewide. The state continues to be among the nation's leaders in the production of several and is ranked in the top 10 in the nation for 38 different crops and livestock. As a result, agriculture is strong and remains the state's leading natural resource-based industry. Nature's bounty provides the perfect growing conditions. The rolling hills, mountain spring water, gentle rains and warm sunshine combine with state-of-the-art technology to produce superior agricultural products.

Idaho ranks number one among states in the production of potatoes, Austrian winter peas and food size trout. Idaho potatoes account for 29 percent of the U.S. production. The state produced 64 percent of the nation's Austrian winter peas and 73 percent of the food size trout and is second in the production of Wrinkled Sea peas, barley and sugar beets. Rounding out the top producer list, Idaho ranks third nationally in the amount of production of all cheese, mint, hops, and summer storage onions, prunes and plums. Idaho is fourth in production of dry edible beans, peas and lentils. Peas and lentils are rotation crops for grain fields. Mint is processed into oil, and hops and barley are primary ingredients in beer, most of which is brewed outside the state.

A remarkable fact is that all of this agricultural production is produced on farms that include only 22 percent of Idaho's land. Idaho's mountains, deserts, rivers and lakes are sources of valuable agricultural commodities, animal habitats and water. The farmland is extremely productive because of good soil, extensive irrigation and well-water systems, generally good weather conditions and efficient agricultural production processes.

Food from the land drives much of the state's local economies. Food processing, including a growing cheese manufacturing business, provided an average of 15,000 jobs in 2004 and 14,700 in 2005. Unfortunately, food processing has experienced eight years of consecutive job loss. Truck drivers, equipment operators and maintenance workers, seed and fertilizer retailers and market-

State Table 1: April 2006 Labor Force (preliminary)

Seasonally Adjusted	Labor Force	Unemp.	% Unemp.	Total Emp.
Lewiston MSA	28,800	1,275	4.4	27,526
Nez Perce County	18,731	707	3.8	18,024
Asotin County, WA	10,069	567	5.6	9,502
Boise City-Nampa MSA	292,339	8,652	3.0	283,687
Ada County	194,738	5,448	2.8	189,291
Boise County	3,629	137	3.8	3,493
Canyon County	81,013	2,636	3.3	78,377
Gem County	7,861	328	4.2	7,533
Owyhee County	5,099	104	2.0	4,995
Pocatello MSA	44,867	1,637	3.6	43,230
Bannock County	40,984	1,456	3.6	39,528
Power County	3,883	181	4.7	3,702
Idaho Falls MSA	62,869	1,782	2.8	61,087
Bonneville County	51,836	1,412	2.7	50,424
Jefferson County	11,032	370	3.4	10,663
Coeur d'Alene MSA*	70,053	2,462	3.5	67,592
Burley MicSA	20,750	989	4.8	19,761
Cassia County	10,657	465	4.4	10,192
Minidoka County	10,093	525	5.2	9,568
Rexburg MicSA	22,236	658	3.0	21,578
Fremont County	6,697	267	4.0	6,430
Madison County	15,539	391	2.5	15,148
Twin Falls MicSA	54,085	1,659	3.1	52,426
Jerome County	11,469	363	3.2	11,106
Twin Falls County	42,616	1,297	3.0	41,319
Grangeville SLMA	9,222	441	4.8	8,782
Idaho County	7,397	397	5.4	7,000
Lewis County	1,825	44	2.4	1,782
Hailey SLMA	15,088	387	2.6	14,701
Blaine County	14,437	366	2.5	14,071
Camas County	651	21	3.2	630
Adams County	1,964	126	6.4	1,838
Bear Lake County	3,173	108	3.4	3,064
Benewah County	4,035	265	6.6	3,770
Blackfoot MicSA (Bingham County)	21,513	869	4.0	20,645
Bonner County	20,820	828	4.0	19,993
Boundary County	4,109	229	5.6	3,880
Butte County	1,214	48	3.9	1,167
Caribou County	3,359	153	4.5	3,206
Clark County	583	26	4.4	557
Clearwater County	3,495	261	7.5	3,235
Custer County	2,800	92	3.3	2,708
Mountain Home MicSA (Elmore County)	10,962	505	4.6	10,457
Franklin County	6,313	181	2.9	6,132
Gooding County	9,012	279	3.1	8,733
Moscow MicSA (Latah County)	17,361	470	2.7	16,891
Lemhi County	4,296	214	5.0	4,082
Lincoln County	2,693	114	4.2	2,578
Oneida County	2,344	48	2.1	2,296
Payette County	10,546	545	5.2	10,000
Shoshone County	5,759	369	6.4	5,390
Teton County	4,288	110	2.6	4,178
Valley County	5,076	180	3.5	4,896
Washington County	5,211	238	4.6	4,973
State of Idaho	761,166	25,630	3.4	735,536
Idaho Cities				
Boise	124,433	3,842	3.1	120,592
Caldwell	22,725	857	3.8	21,869
Coeur d'Alene	31,596	1,024	3.2	30,572
Idaho Falls	15,886	601	3.8	15,285
Lewiston	31,846	1,163	3.7	30,683
Meridian	29,208	938	3.2	28,270
Nampa	22,672	712	3.1	21,960
Pocatello	21,928	467	2.1	21,461
Twin Falls	15,619	614	3.9	15,005

* Coeur d'Alene MSA includes all of Kootenai County.

ing representatives are just a few examples of the jobs tied directly to agriculture. Although the number of farmers, ranchers and hired hands has been declining due to technological improvements, farm consolidations, grazing limitations and crop selection, the importance of Idaho's agricultural industry remains paramount.

Exporting its agriculture products is vital to Idaho's economy. Nearly one-third of Idaho agriculture is exported to foreign markets. Major foreign markets are Canada at 21 percent, Japan at 18 percent, Mexico at 10 percent, China at 9 percent, Taiwan at 5 percent and Korea at 4 percent. This data is from 2004, and the numbers will likely be revised upward as the impact of the governor's 2005 trade missions to Asia and Mexico is felt. Hundreds of millions of dollars are generated from agriculture exports. Among the major commodities are vegetables and preparations and wheat and related products. Idaho exports more than 60 percent of its wheat crop and 75 percent of its dry pea and lentil production.

The Agricultural Work Force

State Table 5 on page 8 indicates there were an estimated 44,840 Idahoans employed in agriculture during April. Hired workers accounted for over three-fourths of this manpower. The number of hired farm workers increases in the spring and builds until the peak times that usually occur in late June and late September. The peaks are when harvest workers are needed in addition to other seasonal workers, who work in more time-extended tasks such as irrigating and crop cultivation. The number of workers overall was up 18.8 percent, and the number of hired workers at 34,760 was up 25.6 percent from April 2005. The first half of April was very wet in most areas of the state. However, the second half experienced less rain, and farmers were able to get into the fields for preparation and planting. Water, which has been a major issue for six years, appears to be abundant this year. In fact, in some areas the problem has been too much water that has caused flooding.

The hired-worker component of the agricultural labor force is the most variable since much of it is seasonal and dictated by crop type and crop activity. Some crops are more labor intensive than others. For example, wheat is often grown in a dry land condition, that is without irrigation, and cultivation is done mechanically. Sugar beets, beans and potatoes, on the other hand, are row crops requiring thinning, weeding and irrigation, which are often done manually. Crop rotations, which are done for price expectations and soil augmentation, also will result in different labor requirements year-to-year.

Seasonal workers supplement the year-round labor supply during peak times. Many are migrants, who enter the state to work for a producer for a limited amount of

time. Others find employment by signing up with a farm labor contractor, who provides labor to multiple producers in the area. Other seasonal workers live in the local community and rely on agricultural jobs for summer employment or for supplemental earnings.

Idaho's hired agricultural workers achieved some work protections in recent years. Effective Jan. 1, 2002, most of Idaho's farm workers became covered under the state's minimum wage law, which guarantees a minimum wage of \$5.15 per hour. There are some exemptions for immediate family members, children 16 or younger working alongside parents, part-time seasonal workers who commute from home and employees engaged in range production of livestock. During its 2002 session, the Idaho Legislature passed a new law requiring the licensing of farm labor contractors. It took effect Jan. 1, 2003. Among other provisions, this new law requires farm labor contractors to be licensed by the state, post a surety to bond to cover unpaid wages, carry auto and worker's compensation insurance and disclose working conditions at the time a worker is hired.

Farm work still remains a low wage occupation. Most crop-related jobs pay \$6 to \$9 per hour. Some are paid on a piece-rate basis such as irrigation pipe movers, who are paid by-the-pipe at 15 to 19 cents per pipe. The rates vary according to the size and type of pipe and the geographic location. However, the state's minimum wage law stipulates the piece rate must equal the minimum wage of \$5.15 per hour. Workers in season-long jobs such as irrigating, livestock tending or general farm work often are provided housing. Sheepherders still live in sheep wagons while on the range.

Idaho agricultural producers meet their labor needs in a variety of ways including the long hours usually put in by the producer and family members. Farms with livestock, stored produce, lots of farm equipment or large acreages typically hire workers as year-round employees. Some seasonal tasks such as irrigating continue throughout the growing season, and seasonal workers are hired for the entire season to meet this type of labor need. Other crop activities such as crop thinning and harvesting are short-term and the jobs are filled by not only short-term, hired workers but also by farm labor contractors, who hire crews of workers who move from farm to farm.

Most of Idaho's seasonal farm workers are local residents who work for near-by producers. Other seasonal workers move temporarily to where the work is from their permanent residences. These migrant workers often return to a farmer for whom they have worked before and will reside in the growers' area for the season. Other migrant workers prefer to move from area to area and state to state according to peak labor demand periods that vary by crop and crop activity.

Some Idaho farmers use an immigration program that permits the employment of foreign workers in temporary agricultural jobs that U.S. citizens are not available for or do not want. This program is known as the H-2A program from the portion of the federal legislation that authorizes it. It is a closely regulated program and is not intended to be a source of cheap labor. Idaho H-2A workers are irrigators, sheepherders and sheep-shearers. Almost all the H-2A workers in Idaho are hired as irrigators. This year, 238 farm operators have filed applications to hire up to 953 foreign workers.

NONFARM PAYROLL JOBS

Job opportunities increased across the state in most industries. Major industrial sectors with improved outlooks include construction, retail trade, financial activity, administrative and support services, leisure and hospitality and government.

Nonfarm payroll jobs increased by 10,100 in April for a 1.6 percent increase from March. For every new job in the goods-producing industries, the service-providing industries added just under two jobs. Comparing April 2005 with April 2004, the service-providing industries increased by 22,000 jobs while goods-producing industries increased by 8,800 jobs. The net year-over-year increase of 30,800 jobs is a 5.1 percent growth rate during this period. The 634,000 jobs total for April 2005 is a record high.

Construction job growth continues to amaze the analysts. This industry added 3,100 jobs in April from March and 7,400 jobs from one year earlier. Construction activity has been strong in both residential and commercial sectors, and the prime road and heavy construction period has yet to begin as the weather is still warming. In the year-over-year analysis, the numbers of new construction jobs has outpaced all other sectors since January 2004 with the exception of July when administrative and support services added over 200 more jobs than construction did. The construction activity throughout the nation had benefited from low interest rates, which have increased recently. In Idaho, however, construction employment also has grown in response to continued

population growth, expansion of retail centers and an increased demand for business and industrial park space.

Logging experienced a 14.3 percent month-over-month and year-over-year job loss. It is not disastrous except for any of the 200 loggers who lost their jobs in April. But most of the loss can be blamed on the weather. The spring thaw came earlier than usual this year, and April's warm and rainy weather continued to keep loggers out of the forests. Logging cannot occur when the mountain roads and logging areas are very muddy.

The number of sawmill and wood preservation workers available to process the logs was virtually the same in April as in March and unchanged from April 2005. Mills usually have an inventory of uncut logs that can even out the flow of newly cut timber as well as maintain some flexibility in mill production. The latter is necessary to adjust to the ups and downs and price swings in wood product supply and demand. Prices for wood products have been high recently due to the impact of the war and hurricanes. In addition, some mills have closed because timber harvest opportunities are quite dependent upon federal logging sales that are not always market driven or they were not tooled to produce the type of products most in demand.

The second fastest growing major industrial sector is professional and business services, which contributed 2,900 new jobs from March and 4,000 from April 2005. The addition of 2,100 new jobs in the administrative and support services sub-sector accounted for most of the growth. This is the largest sub-sector of professional and business services. Looking at the makeup of this industry group, the three largest sectors providing jobs are business support services, which is primarily telephone call centers; employment services, which are temporary employment agencies; and services to businesses, which are typically janitorial services.

State Table 2 and State Table 3 (on page 6) provide information on jobs in administrative and support services and more detail on the business support service

State Table 2: Administrative and Support Services Job Changes April 2000 to April 2005						
Administrative & Support Services Sub-sectors	April 2000	April 2005	Numeric Change	Percent Change	Percent of Total	
					April 2000	April 2005
5611 Office Administrative Services	357	1,064	707	198.0	1.3	2.9
5612 Facilities Support Services	36	310	274	761.1	0.1	0.8
5613 Employment Services	10,677	13,907	3230	30.3	39.9	37.7
5614 Business Support Services	5,675	10,244	4569	80.5	21.2	27.7
5615 Travel Arrangement and Reservation Services	762	936	174	22.8	2.8	2.5
5616 Investigation and Security Services	1,254	1,626	372	29.7	4.7	4.4
5617 Services to Buildings and Dwellings	6,296	8,020	1724	27.4	23.5	21.7
5619 Other Support Services	1,706	824	(882)	(51.7)	6.4	2.2
Total	26,763	36,931	10168	38.0	100.0	100.0

State Table 3: Business Support Services Job Changes April 2000 to April 2005						
Business Support Services Sub-sectors	April 2000	April 2005	Numeric Change	Percent Change	Percent of Total	
					April 2000	April 2005
56141 Document Preparation Services	149	267	118	79.2	2.6	2.6
56142 Telephone Call Centers	2,208	7,090	4882	221.1	38.9	69.2
56143 Business Service Centers	315	319	4	1.3	5.6	3.1
56144 Collection Agencies	1,105	2,175	1070	96.8	19.5	21.2
56145 Credit Bureaus	137	77	(60)	(43.8)	2.4	0.8
56149 Other Business Support Services	1,761	316	(1445)	(82.1)	31.0	3.1
Total	5,675	10,244	4569	80.5	100.0	100.0

sector. The data are for each April between 2000 and 2005. The data for April 2006 are estimated and not available for every sector.

The overall picture indicates that since April 2000 the number of jobs in administrative and support services has increase 38 percent, over 10,000 new jobs. While this largest sector does not have the most jobs, it has grown the fastest at a rate of 80.5 percent, or 4,600 jobs since April 2000. The more detailed information shows that most of that growth occurred in the telephone call center sectors. The sector with the largest number of jobs is employment services, where the major activity is temporary employment agencies. The growth of 3,230 jobs in five years resulted in a 30.3 percent increase. More companies are finding it cost effective to hire through temp agencies. The third group is services to buildings and dwellings which includes janitorial services, landscape services, carpet cleaning services and pest extermination services. As the number of businesses grows, the need for landscaping and janitorial services also increases. Between April 2000 and April 2005, there were 1,724 new jobs in this sector, a 27.4 percent increase.

In the past 12 months, the number of jobs has increased in employment services and services to buildings by 580 and 460, respectively. There was a slight dip in the number of jobs in business support services as a major customer service center closed, resulting in nearly 300 lost jobs. The overall job growth in administrative and support services in the past 12 months has been 1,900 jobs.

State Table 3 shows the change in the number of jobs within the business support group. In April 2000 the telephone call center group had 2,208 jobs, or 38.9 percent of all jobs in this sector. By April 2005 the number of jobs in the telephone call center sector had risen to 7,100 or nearly 70 percent of all jobs in administrative and support services. The number of jobs estimated in this sector in April 2006 was 6,600, a loss of over 400 jobs. Telephone call center jobs still represent the majority of jobs in business support services, but that has dropped from 69 percent to 66 percent. As men-

tioned previously, the loss of 300 jobs at a major customer service center had an adverse impact on the industry. Additional but smaller layoffs have been reported across the state. The loss of nearly 1,500 jobs in the other business support services was not a real loss in jobs — just a shift from one industrial classification to another.

Leisure and hospitality jobs reached a record high for an April and the third highest month ever with 60,600 in April 2006. Winter recreation activities continued in early April as snow conditions allowed great spring skiing. Even though folks were skiing, the winter tourist activity began to subside and reached that in-between-spring-and-summer season resulting in a slight dip in the number of jobs at hotels and other lodging places. This decrease in accommodation jobs followed the highest job level in that sector since August 2000. Traditionally jobs in the accommodation sector peak in August. The current job level in leisure and hospitality indicates that 2006 will be a good tourist year, providing many job opportunities not only in accommodations but also recreation venues, theater productions and eating places. As the Lewis and Clark Bicentennial celebrations continue, these events are likely to draw even more folks to the state. Jobs in accommodations will begin to increase in late May as the summer season begins in earnest after Memorial Day and the school year ends.

In summary, April showed month-over-month changes in most industries. Positive year-over-year growth occurred in almost all of the service-providing industries while most of the manufacturing industries were below last year's employment levels.

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State Table 4: Nonfarm Payroll Jobs

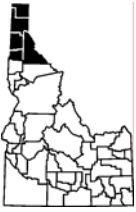
	% Change From				
BY PLACE OF WORK	Apr 2006*	Mar 2006	Apr 2005	Last Month	Last Year
Nonfarm Payroll Jobs**	634,000	623,900	603,200	1.6	5.1
GOODS-PRODUCING INDUSTRIES	117,100	113,300	108,300	3.4	8.1
Natural Resources & Mining	3,500	3,600	3,400	-2.8	2.9
Logging	1,200	1,400	1,400	-14.3	-14.3
Mining	2,300	2,200	2,000	4.5	15.0
Metal Ore Mining	700	600	600	16.7	16.7
Construction	50,100	47,000	42,700	6.6	17.3
Manufacturing	63,500	62,700	62,200	1.3	2.1
Durable Goods	41,200	40,500	39,600	1.7	4.0
Wood Product Manufacturing	7,800	7,800	7,300	0.0	6.8
Sawmills & Wood Preservation	2,600	2,500	2,600	4.0	0.0
Veneer & Engineered Products	1,700	1,800	1,400	-5.6	21.4
Other Wood Product Manufacturing	3,500	3,500	3,300	0.0	6.1
Fabricated Metal Product Manufacturing	3,900	3,800	3,700	2.6	5.4
Machinery Manufacturing	2,700	2,700	2,600	0.0	3.8
Computer & Electronic Product Manufacturing	16,100	16,100	16,400	0.0	-1.8
Transportation Equipment Manufacturing	3,000	2,900	2,800	3.4	7.1
Other Durable Goods	7,700	7,200	6,800	6.9	13.2
Nondurable Goods	22,300	22,200	22,600	0.5	-1.3
Food Manufacturing	14,200	14,100	14,400	0.7	-1.4
Fruits & Vegetable Preserving & Specialty	7,000	6,900	7,100	1.4	-1.4
Paper Manufacturing	1,500	1,600	1,600	-6.3	-6.3
Printing & Related Support Activities	1,900	1,900	1,900	0.0	0.0
Chemical Manufacturing	1,900	1,900	1,900	0.0	0.0
Other Nondurable Goods	2,800	2,700	2,800	3.7	0.0
SERVICE-PROVIDING INDUSTRIES	516,900	510,600	494,900	1.2	4.4
Trade, Transportation, & Utilities	125,200	124,100	120,400	0.9	4.0
Trade	105,900	104,900	101,600	1.0	4.2
Wholesale Trade	28,100	27,700	26,700	1.4	5.2
Wholesalers, Durable Goods	13,200	12,900	12,300	2.3	7.3
Wholesalers, Nondurable Goods	12,400	12,300	12,000	0.8	3.3
Retail Trade	77,800	77,200	74,900	0.8	3.9
Motor Vehicle and Parts Dealers	12,000	11,700	11,400	2.6	5.3
Building Material and Garden Equipment	9,700	9,300	9,000	4.3	7.8
Food & Beverage Stores	12,200	12,100	11,900	0.8	2.5
General Merchandise Stores	16,400	16,600	15,500	-1.2	5.8
Transportation, Warehousing, & Utilities	19,300	19,200	18,800	0.5	2.7
Utilities	2,000	2,000	1,900	0.0	5.3
Transportation & Warehousing	17,300	17,200	16,900	0.6	2.4
Rail Transportation	1,100	1,100	1,100	0.0	0.0
Truck Transportation	8,800	8,900	8,500	-1.1	3.5
Information	11,100	11,000	11,000	0.9	0.9
Telecommunications	4,600	4,500	4,500	2.2	2.2
Financial Activities	31,600	31,100	28,800	1.6	9.7
Finance & Insurance	23,100	22,900	21,000	0.9	10.0
Real Estate & Rental & Leasing	8,500	8,200	7,800	3.7	9.0
Professional & Business Services	80,300	77,400	76,300	3.7	5.2
Professional, Scientific, & Technical	31,400	31,100	30,600	1.0	2.6
Scientific Research & Development	7,100	7,000	7,500	1.4	-5.3
Management of Companies & Enterprises	8,000	7,900	7,500	1.3	6.7
Administrative & Support & Waste Management	40,900	38,400	38,200	6.5	7.1
Administrative & Support Services	38,800	36,700	36,900	5.7	5.1
Educational & Health Services	70,200	70,400	67,900	-0.3	3.4
Educational Services	8,500	8,700	8,400	-2.3	1.2
Health Care & Social Assistance	61,700	61,700	59,500	0.0	3.7
Hospitals	13,500	13,400	13,100	0.7	3.1
Leisure & Hospitality	60,600	59,500	55,400	1.8	9.4
Arts, Entertainment, & Recreation	9,600	9,100	7,000	5.5	37.1
Accommodation & Food Services	51,000	50,400	48,400	1.2	5.4
Accommodation	9,100	9,300	7,600	-2.2	19.7
Food Services & Drinking Places	41,900	41,100	40,800	1.9	2.7
Other Services	19,000	18,800	18,300	1.1	3.8
Total Government	118,900	118,300	116,800	0.5	1.8
Federal Government	12,000	11,700	12,400	2.6	-3.2
State & Local Government	106,900	106,600	104,400	0.3	2.4
State Government	30,400	30,000	30,000	1.3	1.3
State Government Education	14,700	14,800	14,900	-0.7	-1.3
State Government Administration	15,700	15,200	15,100	3.3	4.0
Local Government	76,500	76,600	74,400	-0.1	2.8
Local Government Education	40,400	40,600	39,300	-0.5	2.8
Local Government Administration	33,100	33,000	32,200	0.3	2.8
Local Government Tribes	3,000	3,000	2,900	0.0	3.4

*Preliminary Estimate

** Estimates include all full or part time wage and salary workers who worked or received pay in the following industry groups during the pay period ending nearest the 12th of the month.

State Table 5: Economic Indicators

	Apr 2006	Mar 2006	Apr 2005	% Change From	
				Last Month	Last Year
IDAHO LABOR FORCE ⁽¹⁾					
Seasonally Adjusted					
Civilian Labor Force	761,100	758,200	735,000	0.4	3.6
Unemployment	25,600	24,500	29,200	4.5	-12.3
Percent of Labor Force Unemployed	3.4	3.2	4.0		
Total Employment	735,500	733,700	705,800	0.2	4.2
Unadjusted					
Civilian Labor Force	756,000	753,100	734,100	0.4	3.0
Unemployment	27,600	30,400	31,600	-9.2	-12.7
Percent of Labor Force Unemployed	3.7	4.0	4.3		
Total Employment	728,400	722,700	702,500	0.8	3.7
U. S. UNEMPLOYMENT RATE ⁽²⁾					
	4.7	4.7	5.1		
U.S. CONSUMER PRICE INDEX ⁽²⁾					
Urban Wage Earners & Clerical Workers (CPI-W)	197.2	195.3	190.2	1.0	3.7
All Urban Consumer (CPI-U)	201.5	199.8	194.6	0.9	3.5
AGRICULTURE					
Agriculture Employment	44,880	37,790	41,780	18.8	7.4
Operators	9,740	9,740	9,740	0.0	0.0
Unpaid Family	350	360	350	-2.8	0.0
Hired Workers	34,790	27,690	31,690	25.6	9.8
UNEMPLOYMENT INSURANCE					
Claims Activities					
Initial Claims ⁽³⁾	6,269	7,409	7,380	-15.4	-15.1
Weeks Claimed ⁽⁴⁾	51,371	67,565	61,791	-24.0	-16.9
Benefit Payment Activities⁽⁵⁾					
Weeks Compensated	42,610	57,178	51,757	-25.5	-17.7
Total Benefit \$ Paid	\$10,046,133	\$13,554,898	\$11,765,378	-25.9	-14.6
Average Weekly Benefit Amount	\$235.77	\$237.06	\$227.32	-0.5	3.7
Covered Employers	47,801	47,511	44,776	0.6	6.8
Total Benefit \$ Paid During Last 12 Months ⁽⁴⁾	\$120,900,464	\$122,619,709	\$139,292,407	-1.4	-13.2
(1) Preliminary Estimate					
(2) Source: U.S. Bureau of Labor Statistics					
(3) Includes all entitlements/programs on Intrastate and Interstate Agent, New, and Additional Claims					
(4) Includes all entitlements/programs, Intrastate and Interstate Agent					
(5) Includes all entitlements/programs, Total Liable Activities					



Panhandle News

BENEWAH, BONNER, BOUNDARY, KOOTENAI & SHOSHONE COUNTIES

ECONOMIC TRENDS

Whoever coined the phrase “the lazy days of summer” didn’t live in the Idaho Panhandle. Summer is the busiest time of the year. Look past the tourists strolling and lunching in charming downtowns or playing on lakes, rivers, golf courses and amusement areas, and there are hundreds of people working extra hours preparing food, hosting, entertaining, massaging, transporting, cleaning up after and otherwise serving those tourists. Summer also is the peak period for construction and real estate activity. Employment with the U.S. Forest Service and related state and federal agencies hits its highest point in August when the most tourists are in northern Idaho and fire danger is greatest. In addition, farms are busy throughout the spring and summer from planting to haying in early summer and harvest in August. Unless hoot owl restrictions are imposed because of extremely high fire danger, logging is in full swing throughout the summer and autumn. Other industries that usually reach peak employment levels in late summer include trucking, retail, temporary employment, gravel pits, open-pit mines and wholesalers serving the farm, logging and construction sectors. The only major sector that normally loses jobs during the summer is education. So it is not surprising that the Panhandle almost always adds jobs each month from March through August. Between March and August, it normally adds about 5,700 seasonal jobs — about 1,500 jobs in construction; 1,100 at recreational and amusement facilities; 900 in restaurants; 550 at inns; 500 in retail stores; 400 in logging; 400 in federal, state and local parks and forest management programs; 200 in the trucking industry and 150 in a variety of professional, business and personal services.

About two-thirds of the seasonal jobs added between March and August will

Panhandle Table 1: Coeur d’Alene MSA Labor Force & Employment Kootenai County

	Apr 2006*	Mar 2006	Apr 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	70,050	69,330	68,220	1.0	2.7
Unemployed	2,460	2,350	2,860	4.7	-14.0
% of Labor Force Unemployed	3.5	3.4	4.2		
Total Employment	67,590	66,980	65,360	0.9	3.4
Unadjusted					
Civilian Labor Force	68,990	67,960	67,560	1.5	2.1
Unemployed	2,680	3,110	3,120	-13.8	-14.1
% of Labor Force Unemployed	3.9	4.6	4.6		
Total Employment	66,310	64,850	64,440	2.3	2.9
JOB BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	54,130	52,380	51,510	3.3	5.1
Goods-Producing Industries	10,760	10,420	9,790	3.3	9.9
Natural Resources & Mining	390	400	350	-2.5	11.4
Construction	5,650	5,360	4,960	5.4	13.9
Manufacturing	4,720	4,660	4,480	1.3	5.4
Wood Product Manufacturing	1,120	1,130	1,000	-0.9	12.0
Other Manufacturing	3,600	3,530	3,480	2.0	3.4
Service-Providing Industries	43,370	41,960	41,720	3.4	4.0
Trade, Transportation, & Utilities	9,790	9,600	9,390	2.0	4.3
Wholesale Trade	1,460	1,440	1,310	1.4	11.5
Retail Trade	7,390	7,210	7,100	2.5	4.1
Transportation, Warehousing & Utilities	940	950	980	-1.1	-4.1
Information	960	990	1,020	-3.0	-5.9
Financial Activities	2,880	2,840	2,560	1.4	12.5
Professional & Business Services	6,140	5,870	5,980	4.6	2.7
Educational & Health Services	5,570	5,540	5,250	0.5	6.1
Leisure & Hospitality	7,000	6,140	6,680	14.0	4.8
Other Services	1,500	1,480	1,450	1.4	3.4
Government Education	3,720	3,800	3,710	-2.1	0.3
Government Administration	5,110	5,030	5,020	1.6	1.8
Government Tribes	700	670	660	4.5	6.1

* Preliminary estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

show up in Kootenai County. That is the same proportion of total Panhandle payroll jobs that Kootenai County provides. Despite great strides in diversifying its economic base over the last 20 years, Kootenai County’s employment continues to be just as seasonal as it ever was. While it has reduced its dependence on agriculture and logging, the county has greatly increased its reliance on summer tourism.

Kootenai County, which is also the Coeur d’Alene Metropolitan Statistical Area, added about 1,750 nonfarm payroll jobs between March and April as Panhandle Table 1 shows. That is about normal.

The county continues to enjoy rapid economic growth, although growth is somewhat slower than the amazing pace of the previous two

years. Nonfarm payroll jobs in April were 5.1 percent higher than a year before. In 2004 and 2005, year-over-year growth rates averaged 6.8 percent. The county's seasonally adjusted unemployment rate in March was 3.4 percent, its lowest recorded level. The rate edged up to 3.5 percent in April as cool, rainy weather hampered construction, logging and other outdoor jobs.

AREA DEVELOPMENTS

Benewah County

- One of Benewah County's three largest mills recently was sold to Portland-based Stimson Lumber Co. Founded by Marc Brinkmeyer in 2001 at the site where the Rayonier mill burned down in 1998, Plummer Forest Products employs 110 people. The stud mill, which is known for its high efficiency, processes small-dimension logs. Stimson Lumber owns the DeArmond mill in Coeur d'Alene and the former Idaho Forest Industries mill in Priest River. Last year, it purchased Hauser Lake Lumber, a finger-joint plant in western Kootenai County, and closed its Atlas mill in Coeur d'Alene. Now, Stimson accounts for about 460 of the 2,800 wood manufacturing jobs in the Panhandle.
- St. Maries Harvest Foods recently celebrated a \$350,000 store remodeling that included new fixtures for the produce department and the bakery/deli, a new scanning system and historical photos of St. Maries throughout the store.
- Voters rejected a \$13.7 million bond levy for the Plummer-Worley School District, which would have allowed it to build a new high school, convert the present high school to a middle school, convert the current middle school to an elementary school and vacate the 68-year-old elementary school that is plagued with leaks and boiler problems. Currently, the high school and middle school are in Plummer while the elementary school is in Worley. The construction levy would have resulted in all the schools being on the same site.

Boundary County

- Tom Williams, the owner of Sandpoint Title Insurance, opened Community Title of Boundary County in Bonners Ferry on May 1.

Kootenai County

- Silverwood, the theme park along U.S. Highway 95 near Athol, added more thrills and chills when it opened for the summer. Silverwood unveiled Panic Plunge, a ride that slowly ascends 140 feet and then plummets. Equally impressive, although less terrifying, is the new Indian camp and bison herd along the railroad track circling the park. Working

with the Coeur d'Alene Tribe, Silverwood has created an exhibit about Indian culture in northern Idaho. More than 600 people work at Silverwood, the Pacific Northwest's largest theme park.

- Kootenai County recently welcomed several new businesses. A new store in Coeur d'Alene called Northwest Patio & Heating sells bars, firepits and outdoor furniture made from cedar and steel. Christopher & Banks Corp. opened a C.J. Banks store at the Silver Lake Mall in Coeur d'Alene. The store specializes in women's casual, sport and work clothes. Ten years after the first Capone's Pub & Grill opened in Coeur d'Alene, a second Capone's Pub & Grill opened in a 3,800 square-foot space in Post Falls. Boulevard Deli opened in the former Blondie's building, where it sells deli sandwiches, baked goods, ice cream and espresso drinks. It added a drive-thru window to provide fast customer service.
- About 72 percent of voters recently approved a \$10.9 million bond levy for the Post Falls School District. The district will use \$8 million to build a new elementary school near the Montrose subdivision. About \$1.4 million will add eight classrooms to Post Falls High School. To accommodate its growing fleet of 72-passenger buses at its transportation and maintenance building, which was designed for 48-passenger buses, the district will spend \$725,000 on remodeling. The building projects are slated to begin in the spring of 2007 and be ready for the 2007-2008 school year. With its enrollment rising about 3 percent a year, the district has to add a building about every four years to keep up with growth. That is why the district will use the remaining \$750,000 to purchase land for a future school.

Shoshone County

- One of the many condominium projects under construction or proposed for Shoshone County involves a complete remodeling of the Lincoln School building on McKinley Avenue in Kellogg and construction of a building next door. When the renovation and construction is completed in the next year or so, the Lincoln School condominium project will include 44 units.

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North Central Idaho News

CLEARWATER, IDAHO, LATAH, LEWIS & NEZ PERCE COUNTIES

ECONOMIC TRENDS

The Lewiston Metropolitan Statistical Area's seasonally adjusted unemployment rate in April increased to 4.4 percent from March's rate of 3.9 percent, as shown in North Central Idaho Table 1. In April 2005, the rate was 5.1 percent.

The region's nonfarm payroll jobs in April increased by 190 from March, the result of job increases in trade sectors. According to some store owners, the new hires in trade were in hopes that the Lewis and Clark celebration would pick up steam and generate more business. People from all over the world are expected this summer to visit sites along the Corps of Discovery trails. Some of the most scenic trails traveled by Lewis and Clark are in north central Idaho.

SPECIAL TOPIC: Covered Employers

Covered employers include all employers covered by Idaho's unemployment insurance law. This law covers approximately 92 percent of employers in Idaho. Since 2001, the number of employers has increased in north central Idaho as shown in North Central Idaho Table 2 on page 12. In 2005, new employers throughout north central Idaho were small with fewer than five employees. By county, over the last five years, Latah attracted the most new employers in the region. New employers in the county were concentrated in the construction and the accommodation and food service sectors. In the rest of north central Idaho: Idaho County's new employers could be found in the manufacturing, wholesale trade and real estate; Lewis attracted new employers in construction; in Clearwater, new employers were concentrated in trade and the hospitality/leisure sector and in Nez Perce employers emerged in construction, finance, insurance and technical assistance.

North Central Idaho Table 1: Lewiston MSA Labor Force & Employment
Nez Perce County, Idaho and Asotin County, Washington

	Apr 2006*	Mar 2006	Apr 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
<i>Seasonally Adjusted</i>					
Civilian Labor Force	28,800	28,580	29,440	0.8	-2.2
Unemployment	1,280	1,120	1,510	14.3	-15.2
% of Labor Force Unemployed	4.4	3.9	5.1		
Total Employment	27,520	27,460	27,930	0.2	-1.5
<i>Unadjusted</i>					
Civilian Labor Force	28,830	28,850	29,580	-0.1	-2.5
Unemployment	1,300	1,390	1,550	-6.5	-16.1
% of Labor Force Unemployed	4.5	4.8	5.2		
Total Employment	27,530	27,460	28,030	0.3	-1.8
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	26,850	26,660	26,900	0.7	-0.2
<i>Goods-Producing Industries</i>	4,320	4,230	4,440	2.1	-2.7
Natural Resources & Mining	200	200	180	0.0	11.1
Construction	1,170	1,110	1,350	5.4	-13.3
Manufacturing	2,950	2,920	2,910	1.0	1.4
Wood Product Manufacturing	520	540	540	-3.7	-3.7
Food Manufacturing	20	20	50	0.0	-60.0
Paper Manufacturing	1,090	1,070	1,130	1.9	-3.5
Other Manufacturing	1,320	1,290	1,190	2.3	10.9
<i>Service-Providing Industries</i>	22,530	22,430	22,460	0.4	0.3
Trade, Transportation & Utilities	5,440	5,390	5,280	0.9	3.0
Wholesale Trade	680	660	680	3.0	0.0
Retail Trade	3,450	3,430	3,430	0.6	0.6
Utilities	80	80	90	0.0	-11.1
Transportation & Warehousing	1,230	1,220	1,080	0.8	13.9
Information	440	420	390	4.8	12.8
Financial Activities	1,840	1,830	1,890	0.5	-2.6
Professional & Business Services	1,610	1,570	1,650	2.5	-2.4
Education & Health Services	4,510	4,510	4,450	0.0	1.3
Leisure & Hospitality	2,300	2,290	2,430	0.4	-5.3
Other Services	1,110	1,110	1,140	0.0	-2.6
Government Education	2,500	2,480	2,530	0.8	-1.2
Government Administration	2,080	2,130	1,970	-2.3	5.6
Government Tribes	700	700	730	0.0	-4.1

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

SPECIAL TOPIC: Tourism

The importance of north central Idaho in commemorating the Lewis and Clark expedition was the reason that Lewiston was selected for the Annual Governor's Conference on Recreation and Tourism. Idaho communities bid for the opportunity to host the event. Last year, Idaho Falls was the conference setting. More than 200 tourism professionals attended the conference and 70 percent of them were from outside the region. Accord-

North Central Idaho Table 2: Changes in the Number of North Central Idaho Employers 2001-2005

	2001	2002	2003	2004	2005
CLEARWATER	345	339	343	338	343
IDAHO	569	567	576	578	588
LATAH	976	951	982	1,007	1,028
LEWIS	175	175	174	174	183
NEZ PERCE	1,310	1,298	1,286	1,292	1,318
North Central Idaho	3,374	3,329	3,361	3,389	3,460

*Numbers reflect covered employers

ing to Carl Wilgus, assistant deputy director at Idaho Commerce & Labor in Boise, the event is important because tourism employs 47,000 and contributes \$200 million in state and local taxes. "The jobs pay less than manufacturing but might be considered more secure," Wilgus said. "It is one of the least likely to be automated. It's a high-touch industry. You just don't replace those jobs." With the commemoration of Lewis and Clark, north central Idaho's share of those numbers is growing. Wilgus believes tourists will keep coming to north central Idaho after the commemoration is finished. The numbers will not likely jump as they have, but he does not anticipate them to drop.

AREA DEVELOPMENTS

Latah County

- Pullman-Moscow Regional Airport has waited more than 18 months for the Federal Aviation Administration to waive its restriction on large aircraft flying into the airport. The waiver would allow Horizon Air, which has 12 Q400 planes on order, to be able to use them in Pullman-Moscow on busy football weekends. The airline flies the 39-passenger Dash 8 aircraft into Pullman-Moscow for its regular scheduled flights. Demand for seats on Horizon flights has been steadily increasing, according to Horizon officials. In the short run, those 12 Q400s will be spread across Horizon's fleet. But the airline's long-term plans for

Pullman-Moscow include the Q400 if FAA will allow the planes in. The FAA's main concern was the distance between the runway and taxiway. Because of the topography of the surrounding land and the location of the airport terminal, nothing could be done about the taxiway when improvements were made to the runway last year. Instead, airport officials waged an information campaign designed to keep smaller, private aircraft off the taxiway when larger planes are coming and going on the runway. The FAA has reviewed the airport's plan to add a recording to the automatic weather broadcasts alerting pilots about safe use of the taxiway.

Nez Perce County

- Storms in late May came at just the right time for area farmers. Winter and spring crops in early May were showing signs of stress from the record high temperatures. Temperatures reached triple digits in the first week of May but it cooled with showers in the third week which was a welcome relief and helped crops to thrive.

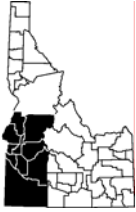
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IDAHO FARM UPDATES RESUME PUBLICATION

Idaho Commerce & Labor has resumed publishing its bi-weekly Farm Labor Update. This publication contains information on crop activity, labor supply and demand and current wage rates for the principal agricultural areas of the state. English and Spanish versions are available. To subscribe, send an e-mail to jennie.nunn@cl.idaho.gov or call (208) 332-3570 ext. 3210 or (800) 772-2553 ext. 3210. Access it on the Internet at: <http://lmi.idaho.gov/?PAGEID=67&SUBID=183> This will take you to the Farm Labor - Labor Market Information page. Direct links to the Farm Labor Update and the Crop Activity list can be accessed at:

http://lmi.idaho.gov/admin/uploadedPublications/4038_final_copy_english.pdf (in English),
http://lmi.idaho.gov/admin/uploadedPublications/4039_final_copy_spanish.pdf (in Spanish),
http://lmi.idaho.gov/admin/uploadedPublications/4041_CropActEnglish.pdf (in English),
http://lmi.idaho.gov/admin/uploadedPublications/4040_CropActSpanish.pdf (in Spanish).



Southwestern Idaho News

ADA, ADAMS, BOISE, CANYON, ELMORE, GEM, OWYHEE, PAYETTE, VALLEY & WASHINGTON COUNTIES

ECONOMIC TRENDS

The seasonally adjusted unemployment rate for the Boise-Nampa Metropolitan Statistical Area was 3 percent in April, up one-tenth of a point from March. April's unemployment rate was six-tenths of a percentage point lower than April 2005. The civilian labor force increased by 2,400 in April, climbing above 290,000 for the first time in 2006. Total employment increased also as 2,200 more people found work in April. Job creation fell just 200 short of accommodating all the new entrants into the labor force. Despite the increase in April's unemployment rate, the labor force and total employment should continue to move upward as more and more people will likely be entering the job market during the traditionally busy late spring and summer months.

Nonfarm payroll jobs in the Boise metropolitan area continued their upward movement in April, growing by 3,200 to exceed 266,000. That is a 5.9 percent increase, or 15,000 nonfarm jobs, from a year earlier. Construction continues to be the largest contributor. There were 900 more construction jobs in April, 28 per-

Southwestern Idaho Table 2: April 2006
Seasonally Adjusted Labor Force Figures for Southwestern Idaho Counties

	Civilian Labor Force	Number Unemployed	Percent Unemployed	Number Employed
Ada	194,738	5,448	2.8	189,291
Adams	1,964	126	6.4	1,838
Boise	3,629	137	3.8	3,493
Canyon	81,013	2,636	3.3	78,377
Elmore	10,962	505	4.6	10,457
Gem	7,861	328	4.2	7,533
Owyhee	5,099	104	2.0	4,995
Payette	10,546	545	5.2	10,000
Valley	5,076	180	3.5	4,896
Washington	5,211	238	4.6	4,973
Statewide	761,166	25,630	3.4	735,536

Southwestern Idaho Table 1: Boise City-Nampa MSA Labor Force & Employment (Ada, Canyon, Boise, Gem and Owyhee counties)

	Apr 2006*	Mar 2006	Apr 2005	% Change	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	292,400	290,000	281,300	0.8	3.9
Unemployment	8,700	8,500	10,200	2.4	-14.7
% of Labor Force Unemployed	3.0	2.9	3.6		
Total Employment	283,700	281,500	271,100	0.8	4.6
Unadjusted					
Civilian Labor Force	291,400	291,100	281,900	0.1	3.4
Unemployment	8,800	9,500	10,500	-7.4	-16.2
% of Labor Force Unemployed	3.0	3.3	3.7		
Total Employment	282,600	281,600	271,400	0.4	4.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	266,200	263,000	251,300	1.2	5.9
GOODS-PRODUCING INDUSTRIES	52,500	51,200	48,200	2.5	8.9
Natural Resources & Construction					
Construction	21,900	21,100	18,500	3.8	18.4
Manufacturing	21,700	20,800	18,900	4.3	14.8
Durable Goods	30,600	30,100	29,700	1.7	3.0
Wood Product Manufacturing	24,400	24,000	23,500	1.7	3.8
Fabricated Metal Products Mfg.	2,100	2,200	2,100	-4.5	0.0
Machinery Manufacturing	1,400	1,400	1,300	0.0	7.7
Computer & Electronic Manufacturing	1,300	1,200	1,200	8.3	8.3
Transportation Equipment Mfg.	14,000	14,000	14,400	0.0	-2.8
Other Durable Goods	2,200	2,200	2,100	0.0	4.8
Nondurable Goods	3,400	3,000	2,400	13.3	41.7
Food Manufacturing	6,200	6,100	6,200	1.6	0.0
Printing & Related Support Activities	4,300	4,200	4,400	2.4	-2.3
Other Nondurable Goods	700	700	700	0.0	0.0
SERVICE-PROVIDING INDUSTRIES	213,700	211,800	203,100	0.9	5.2
Trade, Transportation, & Utilities					
Trade	51,900	51,400	47,500	1.0	9.3
Wholesale Trade	44,400	44,100	40,600	0.7	9.4
Wholesalers, Durable Goods	12,300	12,100	11,300	1.7	8.8
Wholesalers, Nondurable Goods	7,300	7,300	6,900	1.4	5.8
Retail Trade	3,500	3,500	3,400	0.0	2.9
Food & Beverage Stores	32,100	32,000	29,300	0.3	9.6
General Merchandise Stores	4,400	4,300	4,200	2.3	4.8
All Other Retail Trade	6,300	6,400	6,000	-1.6	5.0
Transportation, Warehousing, & Utilities	21,400	21,300	19,100	0.5	12.0
Utilities	7,500	7,300	6,900	2.7	8.7
Transportation & Warehousing	600	600	600	0.0	0.0
Information	6,900	6,700	6,300	3.0	9.5
Telecommunications	5,200	5,200	5,100	0.0	2.0
Financial Activities	2,400	2,300	2,200	4.3	9.1
Finance & Insurance	14,500	14,400	15,600	0.7	-7.1
Real Estate & Rental & Leasing	10,200	10,100	4,700	1.0	117.0
Professional & Business Services	4,300	4,300	10,900	0.0	-60.6
Professional, Scientific, & Technical	38,200	37,400	36,800	2.1	3.8
Management of Companies & Ent.	11,300	11,200	10,900	0.9	3.7
Administrative & Support & Waste Mgmt.	5,800	5,800	5,600	0.0	3.6
Educational & Health Services	21,100	20,400	20,300	3.4	3.9
Educational Services	32,000	31,900	30,900	0.3	3.6
Health Care & Social Assistance	3,100	3,000	2,800	3.3	10.7
Hospitals	28,900	28,900	28,100	0.0	2.8
Leisure & Hospitality	9,400	9,400	9,200	0.0	2.2
Arts, Entertainment, & Recreation	22,900	22,700	21,600	0.9	6.0
Accommodation & Food Services	3,200	3,300	2,600	-3.0	23.1
Accommodation	19,700	19,400	19,000	1.5	3.7
Food Services & Drinking Places	2,100	2,100	2,100	0.0	0.0
Other Services	17,600	17,300	16,900	1.7	4.1
Total Government	7,400	7,300	6,100	1.4	21.3
Federal Government	41,600	41,500	39,500	0.2	5.3
State & Local Government	5,500	5,500	5,600	0.0	-1.8
State Government	36,100	36,000	33,900	0.3	6.5
State Government Education	13,900	13,700	13,400	1.5	3.7
State Government Administration	4,800	4,900	4,700	-2.0	2.1
Local Government	9,100	8,800	8,700	3.4	4.6
Local Government Education	22,200	22,300	20,500	-0.4	8.3
Local Government Administration	14,000	14,100	12,600	-0.7	11.1
	8,200	8,200	7,900	0.0	3.8

* Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

cent of all the new jobs created in that month. That is a significant contribution from an industry that only makes up 8.2 percent of all nonfarm jobs. The other strong growth industry in April was administrative and support and waste management services, which includes temporary employment agencies that are driving this sector's growth. Employers often turn to these agencies in times of high demand when they are too busy to look for employees or just simply cannot find enough workers. Administrative and support and waste management added 700 jobs in April, 22 percent of all new jobs. At the same time, the sector accounts for only 7.9 percent of total nonfarm jobs. It is important to point out that these two sectors accounted for half the new jobs in April while making up only 16 percent of total nonfarm jobs. The April civilian labor force and total employment figures for all 10 counties in the area are shown in Southwestern Idaho Table 2 on page 13.

AREA DEVELOPMENTS

Boise Metropolitan Area

- Micron Technology has developed a new digital sensor designed to be used in smaller digital cameras and cellular phones that will let the user take high definition videos and higher quality pictures. The product is an 8 megapixel digital image sensor, and it will be made starting in early 2007 in both Idaho and Italy. The image quality that will be available by using a product with one of these sensors will be comparable to what can now only be found by using more costly equipment.
- According to the most recent Wells Fargo Boise Area Cost of Living Report, the cost of living in the region was up by 1.1 percent in April, a full half percent higher than the national Consumer Price Index. Fuel costs are largely the cause of this large jump as Idaho's largest urban center suffered gasoline price increases in April of 50 cents per gallon. Transportation costs in the region have increased 9.9 percent over the last six months compared to 5.5 percent nationwide. The metropolitan housing costs also increased faster than the national average, climbing 0.9 percent in April compared with 0.2 percent across the country.
- Corey Barton Homes based in Meridian was recently ranked at number 57 by Builder Magazine in its list of top 100 homebuilders in the nation. This makes Corey Barton Homes the largest privately owned builder in the Northwest and is a move up the list from number 67 last year. Builder Magazine's list is based on the number of homes sold. Corey Barton Homes sold 1,848 homes in 2005, an increase of 31 percent from 2004. Hubble Homes, also of Meridian, ranked number 109 on the same list.
- Idaho was recently named as the host of the 2009 World Winter Games of the Special Olympics. The games will mostly be held in southwestern Idaho at Boise State University, Tamarack Resort, Qwest Arena, Bogus Basin and Idaho Ice World. Idaho beat out cities in Nevada, Austria and Germany for hosting the games.
- Caldwell's Sky Ranch Business Park, located adjacent to the airport, recently confirmed its first business will be American Custom Coach of Ontario, Calif. The new business hopes to be operating by fall and will employ approximately 18 people but hopefully doubling its work force within a year. American Custom Coach makes armored vehicles out of common, everyday cars and serves law enforcement agencies, celebrities and hospitals among others. About half of the business' finished products are shipped overseas.
- Idaho Power Co. added a record 16,737 new customers in 2005, and the trend continued through the first quarter of 2006. In the first quarter the company added another 3,369 new customers. This was 10.5 percent more new customers than in the first quarter 2005. Idaho Power serves over 460,000 customers in Idaho and Oregon.
- As a result of robust growth in new customer accounts, Idaho Power has aggressive plans for increasing generating capacities throughout its service area. According to company officials, Idaho Power plans to spend over \$700 million on new power plants and improving transmission and generation systems. This major expansion is due almost entirely to the rapid customer growth the company has experienced in recent years.
- The Micron Technology Foundation recently announced it is giving Boise State University \$5 million over the next several years to further fund the doctoral program that Micron began supporting in 2005. The money will be used to pay for instructors, provide living stipends for students, pay for improvements to the labs and purchase the latest equipment.
- Micron Technology recently announced another joint venture that will give it 50.01 percent ownership of Photronics of Connecticut. The two companies have teamed up to form MP Mask Technology Center, which will design and manufacture photomasks that will allow Micron and other chip manufacturers to build smaller microchips. Photomasks have microscopic patterns on them of circuits which are transferred to semiconductor wafers using light. The resulting pattern then details where to put the components that go on the chips. Micron and Photronics will build a new facility for this joint venture and will create about 75 new jobs. The companies hope to be in production by late 2007.
- According to the Intermountain Multiple Listing Service, the number of homes sold in Canyon County during April increased for the second month in a

row, rising 3 percent over March. The number of home sales in both March and April were about 100 more than in the same months of 2005. Median prices also increased significantly rising from \$118,000 in April 2005 to \$159,000 in April 2006, a 34.7 percent increase.

- April construction permitting activity was mixed around the region. Caldwell led the way, issuing permits for 45.2 percent more in construction value than in April 2005. Nampa followed closely, permitting 42 percent more. The city of Meridian permitted 3 percent more while the city of Boise actually saw a decline of 27 percent in total values of projects permitted. Cumulatively, the number of permits issued in April was down from April 2005 by just 3.2 percent. Despite the decline in the number of permits, the cumulative dollar value of the permits issued by the area's four largest cities increased by 1.1 percent or approximately \$1.7 million over the same month in 2005.
- Through the first quarter of 2006, home sales in the metropolitan area shattered year-ago totals in both the number of homes sold and in dollar value. This is exceptional considering 2005's record setting year of \$3.7 billion in home sales and an 8 percent slowdown in the number of sales nationwide. During the first quarter of 2006 in Ada County, 2,709 homes were sold, an increase of 36.5 percent over first quarter 2005. In addition, the average price of homes sold was \$253,589, up 23.8 percent over the same time period a year earlier. In Canyon County, 1,405 homes were sold, an increase of 42.6 percent over first quarter 2005. Similar to Ada County, the average price of the homes sold increased significantly from \$125,800 in first quarter 2005 to \$165,602 in first quarter 2006, 31.6 percent increase.
- The rapid escalation in area's home prices could be curbed in the next two years. Between Ada and Canyon counties, there are currently over 33,000 residential building lots at some point in the approval and permitting pipeline. Ada County has nearly 11,000 acres of land and over 22,000 building lots somewhere in the approval process. Meridian leads the way with 30 percent of the acreage under consideration and 43.8 percent of the building lots. Canyon County has over 5,000 acres of land in preliminary stages of approval. It contains over 11,000 building lots. Caldwell leads the way with 37 percent of the land and 59 percent of the building lots.

Valley County

- Tamarack Resort located near Donnelly recently publicized earnings for its first full fiscal year, which ran from May 1, 2005, to April 30, 2006. The resort's total revenue for the fiscal year was \$99.8 million. About \$89 million was earned through real estate sales. A total of \$8.4 million was earned from oper-

ating the resort, \$5.5 million of that during the winter, and the last \$2.4 million was earned through the resort's nonprofit municipal association.

- Valley County has issued homeowners at Tamarack Resort 127 certificates of occupancy so far. In addition to the residential certificates, the county has issued Tamarack 32 commercial certificates of occupancy for various operations including 94 hotel and other living units.
- California has edged out Idaho as the top state where buyers of property at Tamarack Resort reside. Thirty-three percent of the buyers are from California while 32 percent are from Idaho. About 5.2 percent of the lots have gone to buyers outside of the United States.
- Scheduled to open this summer at the Tamarack Resort are two new facilities. The first is the Arling Conference Center slated to open June 16, and the second is a new 5,000 square-foot restaurant at mid-mountain, which is slated to open late this summer.
- Mile High Marina on Payette Lake is getting a \$600,000 facelift. Crews are currently removing the old docks at the marina, and new docks and slips will soon be constructed by Inland Marine.

Elmore County

- Standard Plumbing of Mountain Home is currently building a new warehouse where it will move its plumbing operations. The old building will not stay idle, however, as Standard has plans to add heating and cooling services to its business.

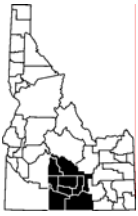
Adams County

- Composite Systems Inc. has been working with the city of Council to bring a new business to the city and approximately 25 to 30 new jobs over the next three years. Composite Systems would like to be up and running by fall of 2007. The company manufactures products for the construction, aerospace and automotive industries, using highly advanced robotics technology. The company would like to locate at the business park.

Payette County

- Voters in the Fruitland School District recently passed a \$1.9 million supplemental school bond. The funds will be used to build a new primary school.

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South Central Idaho News

BLAINE, CAMAS, CASSIA, GOODING, JEROME, LINCOLN, MINIDOKA & TWIN FALLS COUNTIES

ECONOMIC TRENDS

The Twin Falls-Jerome Micropolitan Statistical Area continues to experience strong economic growth. The seasonally adjusted unemployment for April was 3.1 percent, up from 2.9 percent in March but below the 3.8 percent recorded in April 2005.

Economists maintain that a 4 percent unemployment rate is basically full employment. The Twin Falls-Jerome area has been experiencing full employment since July 2004. During this time the labor force has grown 13 percent. The area's economy has been able to maintain high employment levels and low unemployment rates so far in the new century. In fact the highest unemployment rate since January 2000 occurred in March 2002 at 4.8 percent. During the 76 months since the turn of the century, south central Idaho has experienced 36 months with an unemployment rate at 4 percent or below. Not bad when the state was struggling with massive layoffs in the technology sector and unemployment rates above 5 percent.

Nonfarm payroll jobs have also increased over this period. Since January 2000, nearly 7,000 new jobs have been added in the Twin Falls-Jerome area, a 22 percent growth rate. During the same time, the state experienced a growth rate of 19 percent. Both the area and the state experienced some job losses during the slowdown, but overall each has been able to rebound nicely. The only industry that shows a job loss since January 2000 is utilities with fewer than 10. The largest job growth was in professional and business services at over 1,800. Much of this growth can be attributed to Dell and other area customer service centers.

Nonfarm payroll jobs in April totaled 39,350, an increased of 6.6 percent or 2,420 jobs year-over-year. Retail trade showed the largest numeric gain during the year with 440 new jobs. Population

South Central Idaho Table 1: Twin Falls-Jerome MicSA Labor Force & Employment—Twin Falls and Jerome counties

	Apr 2006*	Mar 2006	Apr 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	54,080	54,240	47,550	-0.3	13.7
Unemployment	1,660	1,580	1,830	5.1	-9.3
% of Labor Force Unemployed	3.1	2.9	3.8		
Total Employment	52,420	52,660	45,720	-0.5	14.7
Unadjusted					
Civilian Labor Force	53,590	53,570	47,340	0.0	13.2
Unemployment	1,630	1,810	1,800	-9.9	-9.4
% of Labor Force Unemployed	3.0	3.4	3.8		
Total Employment	51,960	51,760	45,540	0.4	14.1
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs**	39,350	38,990	36,930	0.9	6.6
Goods-Providing Industries	6,740	6,660	6,100	1.2	10.5
Natural Resources & Mining	40	40	40	0.0	0.0
Construction	2,280	2,170	1,890	5.1	20.6
Manufacturing	4,420	4,450	4,170	-0.7	6.0
Food Manufacturing	2,440	2,490	2,410	-2.0	1.2
Other Manufacturing	1,980	1,960	1,790	1.0	10.6
Service-Providing Industries	32,610	32,330	30,830	0.9	5.8
Trade, Transportation & Utilities	9,950	9,940	9,090	0.1	9.5
Wholesale Trade	1,910	1,870	1,770	2.1	7.9
Retail Trade	5,740	5,710	5,300	0.5	8.3
Utilities	160	150	160	6.7	0.0
Transportation & Warehousing	2,140	2,210	1,860	-3.2	15.1
Information	610	610	600	0.0	1.7
Financial Activities	1,770	1,740	1,630	1.7	8.6
Professional & Business Services	5,020	5,010	4,790	0.2	4.8
Educational & Health Services	3,450	3,450	3,200	0.0	7.8
Leisure & Hospitality	3,180	2,950	3,070	7.8	3.6
Other Services	1,370	1,370	1,360	0.0	0.7
Government Education	3,400	3,400	3,390	0.0	0.3
Government Administration	3,860	3,860	3,700	0.0	4.3

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

growth and a healthy economy have encouraged the expansion of retail outlets. Also, spring brings out the shopper in everyone, boosting activity at home improvement and garden stores as well as general merchandise stores for the latest fashions. Construction shows no sign of slowing down with the largest year-over-year percentage increase, 20.6 percent. Both commercial and residential construction are going strong, and the growth has resulted in a shortage of workers. In an effort to address this issue, the College of Southern Idaho is offering its first college-level Residential Construction Program. The program will give students hands-on experience in construction skills such as framing, finish carpentry, roofing, masonry, electrical and plumbing. Students can take the construction program for either one or two years. Second-year students will operate in more of a supervisory role. The school hopes the program will help fill a big labor need in the area.

AREA DEVELOPMENTS

Mini-Cassia

May brought good news and not so good news. First the not so good news.

- Kraft Foods Inc. announced on May 16 that the food manufacturing plant in Rupert would be closed in January 2007. The plant currently makes cream and string cheeses and employs more than 140 workers. The move is part of Kraft's nationwide effort to consolidate production facilities. The Rupert plant has been in operation since 1935. It started to produce cream cheese in 1967 and added string cheese to its operations in 2004. The Mini-Cassia area's economy is just beginning to rebound from the closure of the J.R. Simplot potato processing plant in Heyburn in 2004 which affected about 500 workers. Because of efforts to diversify the area's economy, workers may have a better chance at finding a new job. Idaho Commerce & Labor's local office in Burley will work with Kraft and the workers in applying for unemployment insurance benefits and finding new job opportunities.
- The good news — Dutchman, a recreational vehicle manufacturer, announced in late April that it would open a manufacturing facility in Burley. Dutchman is one of the largest brands of conventional trailers and fifth-wheel travel trailers in the world. The company is purchasing a plant owned by Max Herbold Inc. The Herbold facility will close at the finish of the fresh-pack season but will continue operations on a downsized basis. Dutchman will renovate the 80,000 square-foot facility and begin manufacturing by the end of the year. The company plans to hire 80 workers with an eye to expanding to 200 within two years. Dutchman is a division of Thor Industries, the largest recreational vehicle manufacturer in the world. Richard Florea, president of Dutchman Manu-

facturing, said that "although there were several places in the western states that fit our geographic needs, we felt that the community of Burley was a great choice for Dutchman. We believe the people here share our work ethic and commitment to quality, and we're looking forward to being a part of the community." It is estimated that the new jobs will bring \$4 million to the community.

- Other new businesses to the Burley area include Gossner Foods, a Les Schwab tire retread plant and Mulholland Positioning Systems, a medical equipment production firm.

Twin Falls County

- Lithia Motors has purchased Latham Motors Chrysler-Jeep-Dodge new car franchise. After more than 30 years in business, the family owned dealership decided it would rather pass as much savings and service as possible onto its long-time friends and customers. Bob Latham Jr., president of the company, said the decision to sell the new car franchise came down to a matter of economics. Latham Motors will still retain its used cars division.

Blaine County

- Despite the wet weather, runway repairs continued on the Friedman Memorial Airport in Hailey. The airport was closed for 17 days for runway safety improvements and maintenance. The airport services Horizon Air-Alaska/NW Connection and SkyWest Airlines-Delta Connection.

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IDAHO 2005 FRINGE BENEFIT SURVEY RESULTS AVAILABLE ONLINE

Idaho employers appear to have scaled back offering basic fringe benefit packages to full-time employees between 2002 and 2005, according to the new Idaho Fringe Benefits Survey.

The 2005 survey, conducted by Idaho Commerce & Labor, found that three-quarters of employers offered some form of medical coverage and paid vacation to their full-time employees and two-thirds provided paid holidays and some kind of retirement plan.

That varied from findings in the 2002 survey, taken as the economic slowdown caused by the national recession began putting the squeeze on most Idaho businesses. In that survey, 92 percent of employers reported providing full-time workers paid vacations, 81 percent medical coverage and 87 percent paid holidays. Retirement plans were offered by about the same percentage of employers in both surveys — nearly two out of three.

The survey assessed the types and frequency of benefits Idaho employers offered their workers. The information gathered from nearly 2,200 randomly selected employers throughout Idaho was analyzed to identify differences in benefit packages based on employer size, public or private ownership, industry, geographic region and rural-urban location. This information can be important to employees and employers alike since benefits can account for a significant portion of overall employee compensation.

The full survey report is available online at <http://cl.idaho.gov/pdf/fringe.pdf>.



Southeastern Idaho News

BANNOCK, BEAR LAKE, BINGHAM, CARIBOU, FRANKLIN, ONEIDA & POWER COUNTIES

ECONOMIC TRENDS

The Pocatello Metropolitan Statistical Area's seasonally adjusted unemployment rate remained at 3.6 percent in April. It was slightly higher than the state rate of 3.4 percent, and individual county rates varied between a high in Power County of 4.7 percent to a low in Oneida County of 2.1 percent. Bingham County and Power County both saw temporary layoffs in food processing. Bingham County's rate increased from 3.7 percent to 4.5 percent while Power County's was up four-tenths from 4.3 percent in March. In Caribou County, the rate fell from 4.8 percent to 4.5 percent as mining activity picked up. The unemployment rates were at or below what most economists believe is full employment. However, underemployment is common throughout the area, meaning that many workers do not make a livable wage, which is estimated at approximately \$14.00 per hour, are working part-time jobs when they would prefer to work full time or work in jobs that do not require the level of education or skill that they have. Many also lack health insurance and other benefits or have to commute outside the area to find decent jobs. So even though the unemployment rates in the area are low, workers are still available and looking for livable-wage jobs.

As weather conditions improved in April, nonfarm payroll jobs were created in construction and government administration. Construction work started on residential, commercial and road projects, and hiring

Southeastern Idaho Table 1: Pocatello MSA Labor Force & Employment Bannock and Power counties

	Apr 2006*	Mar 2006	Apr 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	44,870	44,660	44,410	0.5	1.0
Unemployment	1,640	1,600	1,830	2.5	-10.4
% of Labor Force Unemployed	3.6	3.6	4.1		
Total Employment	43,230	43,060	42,580	0.4	1.5
Unadjusted					
Civilian Labor Force	45,570	45,530	45,340	0.1	0.5
Unemployment	1,660	1,880	1,870	-11.7	-11.2
% of Labor Force Unemployed	3.7	4.1	4.1		
Total Employment	43,910	43,650	43,470	0.6	1.0
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	39,860	39,180	38,850	1.7	2.6
Goods-Producing Industries	5,860	5,510	5,620	6.4	4.3
Natural Resources & Mining	20	20	20	0.0	0.0
Construction	2,400	2,170	2,210	10.6	8.6
Manufacturing	3,440	3,320	3,390	3.6	1.5
Food Manufacturing	940	940	960	0.0	-2.1
Fabricated Metal Product Manufacturing	150	150	150	0.0	0.0
Machinery Manufacturing	80	80	90	0.0	-11.1
Other Manufacturing	2,270	2,150	2,190	5.6	3.7
Service-Providing Industries	34,000	33,670	33,230	1.0	2.3
Trade, Transportation & Utilities	7,410	7,320	7,160	1.2	3.5
Wholesale Trade	1,390	1,380	1,320	0.7	5.3
Retail Trade	4,590	4,510	4,410	1.8	4.1
Utilities	50	50	50	0.0	0.0
Transportation & Warehousing	1,380	1,380	1,380	0.0	0.0
Information	740	760	740	-2.6	0.0
Financial Activities	2,140	2,130	2,080	0.5	2.9
Professional & Business Services	5,080	5,000	4,760	1.6	6.7
Educational & Health Services	3,440	3,450	3,280	-0.3	4.9
Leisure & Hospitality	3,360	3,310	3,520	1.5	-4.5
Other Services	1,230	1,210	1,230	1.7	0.0
Government Education	6,030	6,150	6,080	-2.0	-0.8
Government Administration	4,570	4,340	4,380	5.3	4.3

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

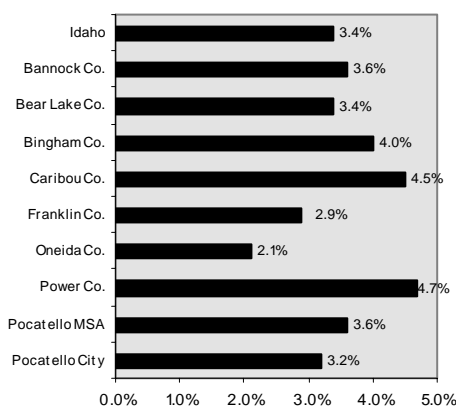
started for the summer in park and street maintenance and in recreation programs.

ECONOMIC DEVELOPMENTS

Bannock County

- D.L. Evans Bank is building a new facility in Pocatello. It will be the bank's second location in the city. Ground was broken in May, and the new bank should be completed for a fall opening.
- The Marriott Hotel has started construction of a Townplace Suites in Pocatello. The hotel will be located near Portneuf Medical Center and is scheduled to open in 2007.

Southeastern Idaho Table 2: April 2006 Unemployment Rates



- Two Idaho State University graduates have opened a Web solutions company in Pocatello. The company, Visions Beyond, offers computerized business systems designed specifically for small businesses.
- Pocatello Imaging Center opened in the Tuscany Plaza in Pocatello. The center features the most advanced diagnostic medical imaging available in Idaho. It is staffed by five board-certified radiologists with specialty experience.
- Red Hot Roasters was opened in Pocatello. The business, which employs eight people, features on-site coffee roasting, specialty coffee, breakfast items and lunch.
- The second phase of the Old Town road and infrastructure improvement project has begun. The project started two years ago with improvements to infrastructure, curbs, sidewalks and landscaping on Main Street. Phase two will carry out the same improvements along Arthur Street.
- The state of Idaho began a \$9 million reconstruction project on southbound Interstate 15 at the Clark Street interchange. At completion, by the end of 2007, the project will add lanes to Clark Street. The Clark Street Bridge will have a third lane added in both directions and will include new landscaping around the interchange.
- The city of Bancroft began construction on a new water system which includes a new well, storage tank, lines and meters. The \$2.5 million project began in May and should be completed before winter. The project will employ 10 to 15 workers and will increase capacity and add efficiency to the system.

Bear Lake County

- A new kidney dialysis center opened at Bear Lake Memorial Hospital in Montpelier. The \$500,000 center was funded by a private donation. The addition of the dialysis center created six new jobs at the hospital.

Bingham County

- A groundbreaking ceremony was held for a new commercial/retail development in Blackfoot. The 13-acre development, Gifford Village, will be completed in two phases and is located near Jensen Grove. Infrastructure work began in March and construction should begin this summer. Phase one will include a steak and seafood restaurant, an old fashioned Main Street with 20th Century architecture, landscaping, a plaza with a fountain and benches and approximately 26,000 square feet of finished space for retail, offices, banks and leisure. Developers Gifford Development Co. LLC said shopping in America is moving to lifestyle centers, which offer convenience and easy access. The development is centrally located between residential, commercial and recreational areas.

- In March, Idaho's first lady Patricia Kempthorne visited Bingham County. The first lady updated commissioners and other community leaders on the Idaho House and topics discussed at the national governor's meeting. Kempthorne and Idaho Rural Partnership Executive Director Dale Dixon were in the area meeting with employers on providing flexible workplaces to support families.
- Nakka's Threads and Beads has opened in Blackfoot, specializing in unique threads and beads used in handmade products such as jewelry, hair ties, decorated horse tack and three-dimensional embroidery. Once the business gets established, the owner plans to add Shoshone-Bannock beadwork to her inventory.

Caribou County

- A new store, Diamond R, opened in Soda Springs. The business, owned by Roger and Teresa Rigby, is a western retail and consignment store. Most of their items are handmade or manufactured around the local area.
- Lee J's Small Engine Repair opened in Soda Springs. The business specializes in all kinds of small engine repair including lawn mowers, snow blowers, snowmobiles, ATV's and chain saws. It also does car and pickup oil changes.

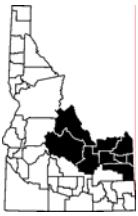
Franklin County

- The city of Preston will begin a three-phase water improvement project, which should be completed by the end of the year. The \$4 million project will replace the city's aged, 300,000 gallon storage water tank with a new 1.5 million gallon tank. The upgrade will also include looping Preston's water system with a 10-inch water line and installing water meters. The new system should reduce, or help identify, leakage and ensure the infrastructure to support growth in the area.
- Happiness is ... Scrapbooking opened in Preston. The business, owned by Joyce Williams, held a ribbon cutting in March.

Power County

- R&G Potato sent its first shipment of potatoes to Japan in March. In 1950, Japan banned the import of potatoes because of potato wart bacteria and cyst nematode. Since then, the United States has eliminated or contained these problems, and Japan has demand for Idaho potatoes. This historic move could open many doors to Idaho potato shippers. The first shipment was 500 metric tons and represents just over 5 percent of R&G's chipping potatoes.

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East Central Idaho News

BONNEVILLE, BUTTE, CLARK, CUSTER, FREMONT, JEFFERSON, LEMHI, MADISON & TETON COUNTIES

ECONOMIC TRENDS

The Idaho Falls Metropolitan Statistical Area had the lowest April unemployment rate of any of the state's metropolitan areas at 2.8 percent as seen in East Central Idaho Table 1. The civilian labor force increased almost 3,000 over the year and jobs increased more than 3,000 as growth continues in all industries.

SPECIAL TOPIC: Gearing Up For Tourism

Tourist season has kicked in and roads are getting congested. Soon, tourists and residents alike will be winding throughout construction zones to get to their destinations. Whether a resident or tourist, here are a few must sees in the east central Idaho area.

Yellowstone Bear World is located on Highway 20, five miles south of Rexburg. On 120 acres, the park has 10 to 15 species of North American wildlife including wolves, elk, buffalo, deer and moose. Added to that are over 50 bears including six new cubs and three grizzlies in natural habitat. Set in a drive-through-soak-it-all-in setting, seeing the wonderful wildlife is only the beginning. A unique petting zoo currently contains deer fawns and a variety of barnyard animals but will add elk calves and other wildlife as the season progresses and more babies are born. Feeding baby and adult bears is the ultimate experience, and pictures are taken for keepsakes. Food is available to take care of the human appetite with a great menu at the Hungry Bear Café, offering novelties such as bear fries — potato French fries shaped as little bears. The gift shop is unique and full of treasures. Oh — and give the little tykes time to try out the park rides. Plan to spend at least half a day here. The park plans to see between 110,000 and 115,000 visitors this year, 97 percent of those will be tourists. Visit the Web site at <http://www.yellowstonebearworld.com>.

East Central Idaho Table 1: Idaho Falls MSA Labor Force & Employment
Bonneville and Jefferson counties

	Apr 2006*	Mar 2006	Apr 2005	% Change From	
				Last Month	Last Year
INDIVIDUALS BY PLACE OF RESIDENCE					
Seasonally Adjusted					
Civilian Labor Force	62,870	63,260	60,080	-0.6	4.6
Unemployment	1,780	1,660	1,940	7.2	-8.2
% of Labor Force Unemployed	2.8	2.6	3.2		
Total Employment	61,090	61,600	58,140	-0.8	5.1
Unadjusted					
Civilian Labor Force	61,790	61,790	59,340	0.0	4.1
Unemployment	1,720	1,980	1,880	-13.1	-8.5
% of Labor Force Unemployed	2.8	3.2	3.2		
Total Employment	60,070	59,800	57,460	0.5	4.5
JOBS BY PLACE OF WORK					
Nonfarm Payroll Jobs** - NAICS	54,150	53,380	50,850	1.4	6.5
Goods-Producing Industries	7,320	7,060	6,750	3.7	8.4
Natural Resources & Mining	60	50	40	20.0	50.0
Construction	3,990	3,770	3,580	5.8	11.5
Manufacturing	3,270	3,240	3,130	0.9	4.5
Food Manufacturing	1,070	1,060	1,060	0.9	0.9
Fabricated Metal Product Manufacturing	230	220	210	4.5	9.5
Machinery Manufacturing	150	150	160	0.0	-6.3
Other Manufacturing	1,820	1,810	1,700	0.6	7.1
Service-Providing Industries	46,830	46,320	44,100	1.1	6.2
Trade, Transportation & Utilities	13,430	13,260	12,660	1.3	6.1
Wholesale Trade	4,270	4,200	3,940	1.7	8.4
Retail Trade	7,500	7,450	7,190	0.7	4.3
Utilities	60	50	60	20.0	0.0
Transportation	1,600	1,560	1,470	2.6	8.8
Information	1,170	1,160	1,110	0.9	5.4
Financial Activities	2,120	2,110	1,950	0.5	8.7
Professional & Business Services	9,940	9,840	8,880	1.0	11.9
Educational & Health Services	6,940	6,910	6,560	0.4	5.8
Leisure & Hospitality	4,390	4,310	4,170	1.9	5.3
Other Services	1,990	1,970	1,940	1.0	2.6
Government Education	3,750	3,810	3,540	-1.6	5.9
Government Administration	3,100	2,950	3,290	5.1	-5.8

*Preliminary Estimate

**Full- or part-time jobs of people who worked for or received wages in the pay period including the 12th of the month

The Riot Zone in Rigby is a family fun park full of activities and concessions. Bumper boats; rock climbing towers; inflatable games including bouncy boxing, pedestal joust, the Velcro sticky wall, adrenaline rush obstacle course, huge slides and Jurassic Adventure; kiddie karts; go karts; miniature golf and a picnic pavilion are the main featured attractions. The north Rigby exit ramp off Highway 20 gives easy access and makes it a snap to give the family a break on the way to any number of destinations. Seasonal offerings include a corn maze, haunted house and winter ice skating. Visit the Web site at <http://riotzonefamilyfun.com>.

In the beautiful Teton valley of Driggs, Spud Fest '06 will be held July 28-29. Featuring independent films, documentaries, short films and feature films, the film fest also introduces up- and-coming producers. It features bands and singers, classical cars, clowns, prizes and much more. Originated by actress Dawn Wells, formerly MaryAnn of Gilligan's Island, the festival grows larger every year. Visit the Web site at <http://www.spudfilmstitute.com/>.

Idaho Falls features several different attractions. The beautiful Snake River runs through the city with the falls located by Broadway and River Parkway. The Snake River Duck Race and River Park Festival will be held on Aug. 12. Across from the falls is the Snake River Concert Series, free musical entertainment from various bands and musicians throughout the summer every Tuesday night from 7 to 9 p.m. from mid-June through August. To the south of the falls is a new business development called Taylor Crossing on the River with various businesses and waterways adding to the greenbelt along the river. The Scenic River Classic Race is an annual 5K and 10K walk/run held this year on June 17. Close by and on the river is the Eagle Rock Art Museum. Alive After Five is held every Wednesday from 5 to 8 p.m. in Historic Downtown between Park and B Streets featuring live bands, food vendors, beer and wine. The Fourth of July Parade is held throughout the city followed that night by the Melaleuca Freedom Celebration, a spectacular fireworks display set to music on the river. The Museum of Idaho located by the train tracks through Historic Downtown features "Savage Seas" of prehistoric water-dwelling creatures until June 22. After that, the feature will be Guns of the West and Hooks – fly fishing gear. Besides all this, there are many cultural arts productions throughout the town. For more information, visit <http://www.idahofallschamber.com/>.

Just 25 miles east of Idaho Falls is Swan Valley, a beautiful town located close to the gorgeous Palisades Reservoir. Besides having the infamous square ice cream cones, there are several places to stay and enjoy some truly relaxing time in nature's beauty. One of those is the Hansen Guest Ranch, where elegance and natural beauty are combined to give visitors the ultimate tranquil vacation. A remodeled 100-year-old barn features several large rooms plus a conference room highlighted by a fireplace, big-screen T.V. and plenty of windows for the view. Several other cabins dot the ranch where there is a separate building to eat and gather. Eating there is the ultimate clincher for the whole savory sensation. Home-made meals keep visitors eager for the next one, all unique, delightfully tempting and totally filling. Along with several acres to walk around, there is even a tennis court. Fishing, boating and hiking are within just a few miles of the ranch.

Visit <http://hansenguestranch.com/location.htm> for information.

Just west of Arco is the Craters of the Moon National Monument and Preserve. A sea of lava flows, cinder cones and sagebrush provides a natural training ground for NASA astronauts. The preserve covers 750,000 acres and gives visitors plenty to see. Expect up to 30-minute delays on Highway 20/26/93 approximately three miles east and west of the entrance to the Craters Visitor Center. The Idaho Transportation Department is rerouting and resurfacing the roadway on weekdays throughout the summer. Make sure to visit the bookstore and visitor's center. More information at <http://www.nps.gov/crmo/>.

The Sacajawea Interpretive, Cultural and Educational Center is located in Salmon by the rivers and mountains of Sacajawea's homeland. The 71-acre park is dedicated to the commemoration of Sacajawea, her people and the Lewis and Clark expedition. The center is a unique outdoor experience for Lewis and Clark travelers to learn about culture and history in our beautiful and wild lands that retain much of their character from 200 years ago. For information and show times, visit <http://www.sacajaweacenter.org/>.

Red Fish Lake is nestled in the beautiful lands of Stanley. Fishing, hiking and water sports will take your breath away.

From 1986 to 2005, history has been made in Rexburg as folk dancers from all around the world gather at the Idaho International Dance and Music Festival. Festival 2005 was a great example of dancers sharing their culture while they absorb an understanding of the freedoms found in America. This year's teams include Canada, China, Georgia, Italy, Mexico, Panama, Romania, Serbia & Montenegro, South Africa, South Korea, Tahiti, Ukraine and the United States. The 2006 festival marks the 21st season for the Dance and Music Festival in Rexburg and kicks off July 29. Dancers come from approximately 10 different countries each year, and only one team from each country can participate. Saturday, July 29, will be the opening ceremony in Rexburg. For more information, go to <http://www.rexcc.com/festival/schedule.html>.

A few other great places include the St. Anthony Sand Dunes and Heise Hot Springs in Ririe beside Harri-man State Park near Ashton. It is definitely worth the visit to east central Idaho.

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IDAHO'S WORLDWIDE EXPORTS CONTINUE TO GROW

From the state's largest employer to its smallest, more and more Idaho businesses are turning to foreign markets to increase their receipts.

Rising export traffic has provided an extra boost to a state economy that already is among the nation's leaders. The U.S. Department of Commerce this winter estimated that over 55,500 private-sector jobs in Idaho are tied to exports – one of every nine.

More than 15,000 of those jobs are in the traditionally higher-paying manufacturing sector. Idaho's increased participation in the export market is at least part of the reason that in the past three years manufacturing employment in the state has increased nearly 3 percent to over 63,500 this spring while nationally it has declined more than 12 percent.

While there have been fluctuations over the years, the number of Idaho companies selling to foreign customers has been steadily increasing. It hit a record 1,290 in 2004, the most recent year for which figures have been compiled, and is expected to exceed 1,300 for 2005.

That reflects the significant level of business activity in Idaho compared to other states. The Ewing Marion Kauffman Foundation recently reported that Idaho ranked fifth nationally last year in its rate of entrepreneurial activity. The foundation report estimated that 470 individuals started new business enterprises each month last year. Only Vermont, Colorado, Montana and Wyoming had higher levels.

Still, only a fraction of the more than 46,000 companies doing business in Idaho are exporting. But the growth in Idaho exporters, especially since the state began pulling out of the national recession in late 2002, is notable as is the breadth of the products these companies are shipping all over the globe.

From neighboring Canada and Mexico, Idaho companies last year sold goods to customers in such exotic places as Fiji, Togo, Papua New Guinea, Palau and French Polynesia to trouble spots like Iraq and Iran, the Sudan, Croatia, Malawi, Zambia and Zimbabwe – 152 nations in all.

Sales included dried meat to Antigua and Barbuda, books and brochures to Uganda, bandages to the Turks and Caicos Island, knives to Bosnia-Herzegovina, inflatable rafts to Mongolia, woodworking chisels to Lithuania, rifle cartridges and parts to Bulgaria, dried vegetables to Haiti, whey to Greenland and stainless steel pipe to Poland.

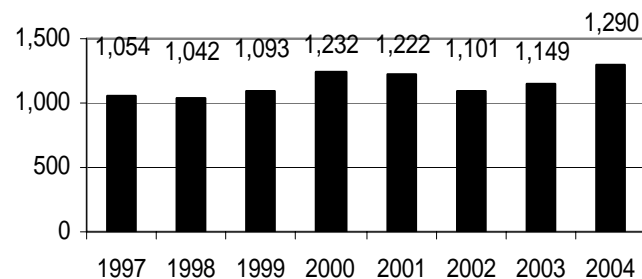
The export expansion is providing market diversity to participating businesses, giving them the prospect of tak-

ing some of the volatility out of the business cycle since rising foreign markets can offset domestic weakness and a boom at home can compensate for sluggishness abroad.

From 2003 to 2004, Idaho ranked third among the states for growth in both export value and total exporters. The increase in 2005 of nearly 12 percent pushed total value above \$3 billion for only the second time in state history.

Micron Technology Inc., the second biggest computer chip maker in the world with over 10,000 employees in Idaho, dominates Idaho's export activity, supported by an ever widening cast of other high technology companies across the state. For nine of the past 10 years, Micron has accounted for between 62 percent and 80 percent of Idaho's total export value. In 1998, high-tech exports slumped to 56.3 percent during the heat of the international battle over trade practices, foreign government support and tariffs.

FYI Chart 1: Number of Idaho Exporters, 1997-2004

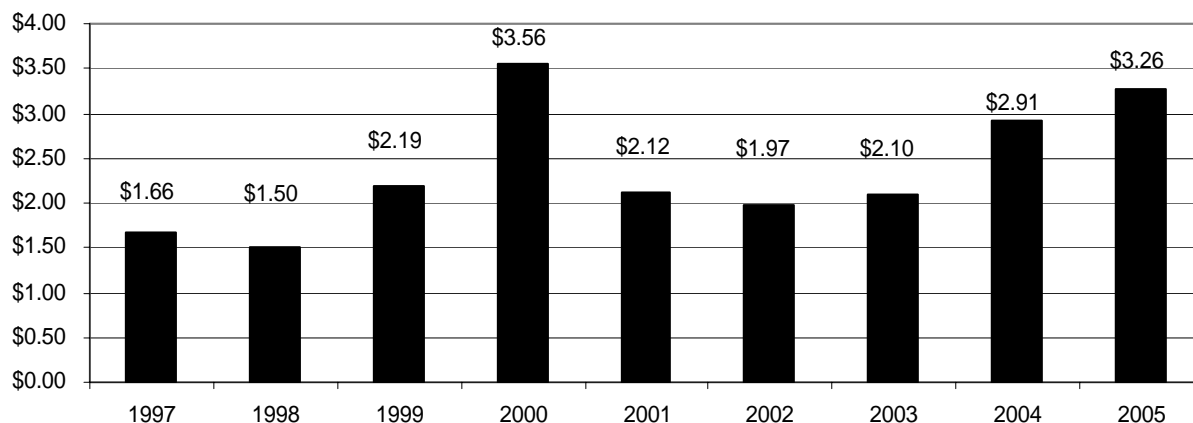


But high-tech exports have been extremely volatile. The range has been extreme over the past decade and even from year to year. In 1998, high-tech exports fell over 18 percent from over \$1 billion to under \$850 million only to jump 86 percent in 1999 to nearly \$1.6 billion, in large part due to the often unstable international microchip market. Fortunately, high-tech product producers still need the same work force to meet demand, regardless of the commodity price. Stockholders and employee bonuses take the brunt in those years.

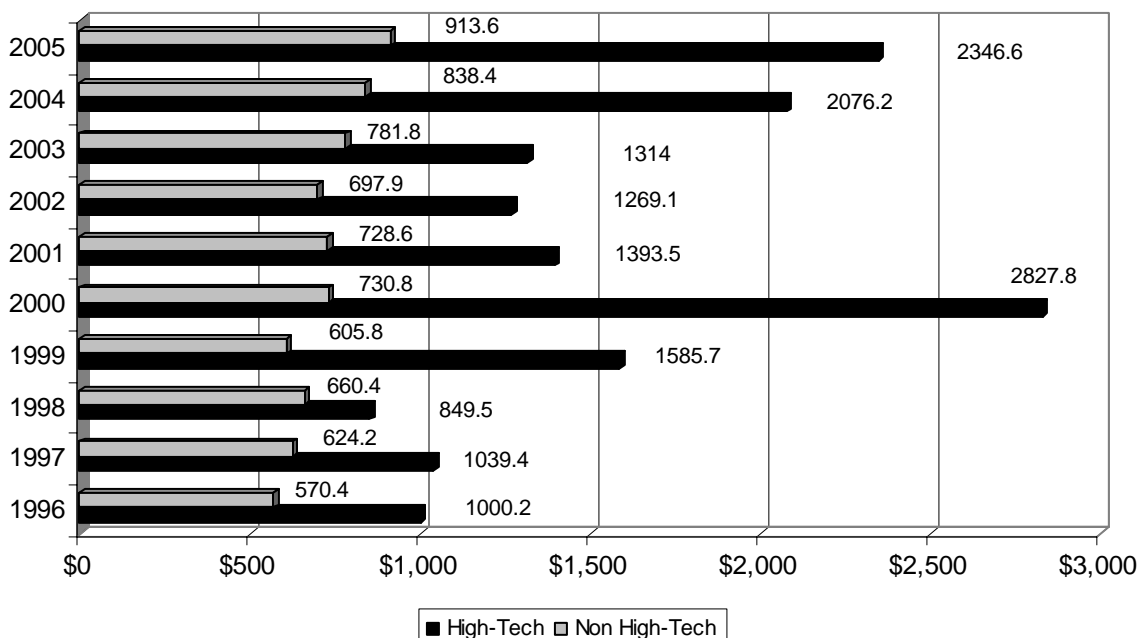
While the other product sectors fluctuate as well, the swings have not been so violent, and non high-tech exports as a group have been steadily increasing despite some dips in response to general economic conditions.

And while the Microns of Idaho may account for the lion's share of export sales, big companies with payrolls of 500 or more make up only about 18 percent of Idaho's

FYI Chart 2: Total Idaho Exports, 1997-2005 (in billions)



FYI Chart 3: Annual Idaho Exports (in millions)



exporters. The rest are smaller, the vast majority with fewer than 100 workers, according to the U.S. Department of Commerce.

It is a wide range of small companies taking advantage of these foreign markets. J. Neils Enterprises Inc. of Hauser has just a handful of employees making all terrain fans and generators for sale in Latin America, Europe, the Middle East and elsewhere.

Miskin Scraper Works Inc. of Ucon employs over 50 to make earthmoving and leveling equipment that sells in Europe, Africa, Australia and Canada.

Fusion Packaging of Nampa has fewer than 50 workers and is exporting its products to Latin America, Europe, Asia and Africa among other destinations.

And that is only three of the hundreds of companies involved in the export market.

Idaho Commerce & Labor has also tried to make it even easier for Idaho businesses, especially the smaller ones, to take advantage of the export market. Last August, Director Roger B. Madsen signed a memorandum with the Export-Import Bank of the United States that opened up the bank's export education and assistance programs to Idaho companies.

Becoming an Ex-Im Bank City/State Partner is providing Idaho entrepreneurs with experts to help them with the bank's financing products, which include export credit insurance, working capital guarantees and term financing for international buyers.

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FYI Chart 4: Exports, Exporters By State, 2003-2004

State/Area	2004		2003		Percent Change	
	Exports	Exporters	Exports	Exporters	Exports	Exporters
United States	818,775	231,736	724,771	225,190	12.97%	2.91%
Alabama	9,037	3,035	8,340	2,916	8.36%	4.08%
Alaska	3,157	635	2,739	717	15.26%	-11.44%
Arizona	13,423	5,551	13,323	5,057	0.75%	9.77%
Arkansas	3,493	1,913	2,962	1,769	17.93%	8.14%
California	109,968	58,917	93,995	57,133	16.99%	3.12%
Colorado	6,651	4,477	6,109	4,175	8.87%	7.23%
Connecticut	8,559	5,160	8,136	5,140	5.20%	0.39%
Delaware	2,053	899	1,886	890	8.85%	1.01%
Florida	28,982	34,657	24,953	31,700	16.15%	9.33%
Georgia	19,633	10,024	16,286	9,706	20.55%	3.28%
Hawaii	405	737	368	668	10.05%	10.33%
Idaho	2,915	1,290	2,096	1,163	39.07%	10.92%
Illinois	30,214	17,780	26,473	17,962	14.13%	-1.01%
Indiana	19,109	6,368	16,402	6,288	16.50%	1.27%
Iowa	6,394	2,507	5,236	2,419	22.12%	3.64%
Kansas	4,931	2,294	4,553	2,265	8.30%	1.28%
Kentucky	12,992	3,233	10,734	3,267	21.04%	-1.04%
Louisiana	19,922	3,131	18,390	3,142	8.33%	-0.35%
Maine	2,432	1,668	2,188	1,653	11.15%	0.91%
Maryland	5,746	4,713	4,941	4,569	16.29%	3.15%
Massachusetts	21,837	10,117	18,663	10,245	17.01%	-1.25%
Michigan	35,625	12,138	32,941	12,419	8.15%	-2.26%
Minnesota	12,678	6,412	11,266	6,456	12.53%	-0.68%
Mississippi	3,179	1,602	2,558	1,673	24.28%	-4.24%
Missouri	8,997	4,746	7,234	4,617	24.37%	2.79%
Montana	565	870	361	845	56.51%	2.96%
Nebraska	2,316	1,506	2,724	1,508	-14.98%	-0.13%
Nevada	2,907	1,904	2,033	1,813	42.99%	5.02%
New Hampshire	2,286	2,275	1,931	2,280	18.38%	-0.22%
New Jersey	19,192	16,486	16,818	15,947	14.12%	3.38%
New Mexico	2,046	1,366	2,326	1,036	-12.04%	31.85%
New York	44,401	31,972	39,181	31,048	13.32%	2.98%
North Carolina	18,115	8,270	16,199	8,242	11.83%	0.34%
North Dakota	1,008	919	854	972	18.03%	-5.45%
Ohio	31,208	13,048	29,764	13,057	4.85%	-0.07%
Oklahoma	3,178	2,437	2,660	2,408	19.47%	1.20%
Oregon	11,172	4,754	10,357	4,914	7.87%	-3.26%
Pennsylvania	18,487	12,664	16,299	12,725	13.42%	-0.48%
Rhode Island	1,286	1,540	1,177	1,492	9.26%	3.22%
South Carolina	13,376	4,549	11,773	4,448	13.62%	2.27%
South Dakota	826	777	672	778	22.92%	-0.13%
Tennessee	16,123	5,324	12,612	5,282	27.84%	0.80%
Texas	117,245	28,300	98,846	26,518	18.61%	6.72%
Utah	4,718	2,303	4,115	2,211	14.65%	4.16%
Vermont	3,283	1,113	2,627	1,161	24.97%	-4.13%
Virginia	11,631	5,757	10,853	5,746	7.17%	0.19%
Washington	33,793	9,274	34,173	9,579	-1.11%	-3.18%
West Virginia	3,262	849	2,380	830	37.06%	2.29%
Wisconsin	12,706	6,628	11,510	6,670	10.39%	-0.63%
Wyoming	680	345	582	311	16.84%	10.93%
D.C.	1,164	797	809	725	43.88%	9.93%
Puerto Rico	13,162	1,258	11,914	1,174	10.48%	7.16%
Virgin Islands	389	101	253	79	53.75%	27.85%
Unallocated	35,919	8,594	36,196	12,218	-0.77%	-29.66%

Source: U.S. Department of Commerce

Ask the Economist — Consumer Price Index

Ask The Economist is published occasionally to address common questions that readers have on the data we gather and provide. Please send questions, comments or suggestions via e-mail to Imi@cl.idaho.gov or U.S. Postal Service mail to Public Affairs, Idaho Commerce & Labor, 317 W. Main St., Boise, ID 83735.

When the April consumer price index was released by the Bureau of Labor Statistics with a 0.9 percent month-to-month increase, it was decided that we needed to be reminded what the statistic commonly known as the CPI is and how it relates to the cost of living. The CPI-U, or consumer price index for urban areas, was 201.5, up 0.9 percent from March, and the largest one month increase since August 1990. The increase was fueled by energy costs, particularly petroleum based energy.

Q: How much has the cost of living changed in my area in the last year?

Unfortunately, that is not a question that can be answered with 100 percent accuracy. No federal or state statistical agency develops changes in the cost-of-living measures for Idaho communities. Although Wells Fargo economist Kelly Matthews, based in Salt Lake City, estimates the cost of living for the Boise area, no one has developed estimates for other parts of the state.

When people want to know how much the cost of living has changed for Idaho communities, they must rely on the U.S. Consumer Price Index, published monthly by the U.S. Bureau of Labor Statistics. The CPI is the average for the metropolitan areas where the CPI survey is conducted. It is a measure of the average change over time in prices paid for a specified basket of consumer goods and services. It is widely used as an economic indicator, as a deflator so that people can see the “real,” or adjusted for inflation, change in dollar amounts, and as a common means of adjusting for changes in the cost of living including escalation clauses that automatically increase wages or other payments.

According to the Bureau of Labor Statistics, “An index is a tool that simplifies the measurement of movements in a numerical series. Most of the CPI indexes have a 1982-84 reference base. That is, the bureau sets the average index level, which represents the average price level, for the 36-month period covering the years 1982, 1983 and 1984 to be equal to 100. The bureau measures changes in relation to that figure. An index of 110, for example, means there has been a 10 percent increase in price since the reference period. Similarly an index of 90 means a 10 percent decrease.”

Why the U.S. index?

Consumer price indexes are available for only 26 metropolitan areas in the United States including two in the Pacific Northwest – Seattle-Tacoma-Bremerton in Wash-

ington and Portland-Salem in Oregon. The bureau publishes information for only three metropolitan areas – Chicago, Los Angeles, New York – every month. It publishes Seattle’s index every other month and Portland’s index every six months.

Why isn’t there CPI information for smaller communities including Idaho communities?

The answer is simple – tracking price data is extremely expensive because it requires extensive and frequent price surveys on hundreds of consumer items.

Some Idahoans use the Portland or Seattle indexes on the assumption that because Portland and Seattle are closer to Idaho their consumer prices must move most similarly to Idaho’s. That is probably not a good assumption. The coastal area of the Pacific Northwest often experiences very different price movements than the inland area. It is entirely possible for housing costs or taxes in Portland or Seattle to move differently than housing costs or taxes in Boise, Coeur d’Alene or Pocatello. The bureau warns that city indexes tend to be much more volatile – moving up or down more abruptly – than the national or regional indexes. Although the regional West CPI is less volatile than a particular city’s index, it is heavily influenced by Los Angeles, San Francisco and other metropolitan areas, where prices sometimes move very differently than Idaho’s. It is more likely that an Idaho community’s cost of living will change in a similar fashion to the U.S. average than the index of any one city or the West.

Sometimes Idaho Commerce & Labor customers argue that this comparison to the U.S. average cannot be very accurate because the cost of living in Idaho is considerably lower than in most of the U.S. While it is true that the cost of living in most Idaho communities is considerably below the national cost of living, their argument is not sound. The CPI measures the rate of increase in the cost of living, not the level of the cost of living. So even though the level of the cost of living in Idaho may be low, this does not mean that it is not increasing at about the same rate as the U.S. cost of living.

The only time that the U.S. CPI will not accurately reflect price changes in an Idaho community is when something unusual is happening to housing costs or energy costs in that community. For example, in the early 1990s, the U.S. was in a recession and housing costs were rising very slowly in most U.S. communities and even falling in a few metropolitan areas. Idaho, however, was riding the peak of the population boom. Housing costs were rising at a strong clip and were increasing much faster than the national average. At that time, it was wise to remember that the cost of living in most Idaho communities probably was rising faster than the CPI.

Should I use CPI-U or CPI-W?

There are two types of consumer price indexes—one based on the spending patterns of *all* urban consumers, known as the CPI-U, and one based on urban wage earners and clerical workers, known as the CPI-W. According to the bureau, “The CPI-U represents about 87 percent of the total U.S. population. It is based on the expenditures of almost all residents of urban or metropolitan areas including professionals, the self-employed, the poor, the unemployed and retired persons as well as urban wage earners and clerical workers. The CPI-W is based on the expenditures of households that are included in the CPI-U definition that also meet two requirements – more than one-half of the household's income must come from clerical or wage occupations and at least one of the household's earners must have been employed for at least 37 weeks during the previous 12 months. The CPI-W's population represents about 32 percent of the total U.S. population and is a subset, or part, of the CPI-U's population.”

The CPI-U is the index that is most widely used so it is quoted in the media. It is a newer measure, introduced in the 1990s, to better reflect price changes for a wider portion of the population. Unless you have an old contract stipulating that you use CPI-W, or you are especially interested in wage earners and clerical workers, use the CPI-U index.

So how much did the U.S. CPI increase in the last year?

Because the CPI is published every month, you can do a comparison of the changes between any month in the period from January 1913 to the most recent month. For example, the most currently available Consumer Price Index is for April 2006, when it was 201.5. A year before, in April 2005, it was 194.6. That means it increased $(201.5/194.6 \times 100 - 100 =)$ 3.5 percent in the last year.

Avoiding a big mistake:

The most common mistake made by new CPI users is to try to calculate a rate of inflation by subtracting the index numbers from each other, but indexes are similar to compound interest rates so you must use division to calculate the rate of inflation. These mistakes can be fairly large even in the current low-inflation environment. For example,

if you subtract the April 2005 index number from the April 2006 index number, you would get 6.9 percent, suggesting that inflation was considerably higher than the normal level of recent years and much higher than it actually was between April 2005 and April 2006. Comparing the indexes over a long period of time, especially one that includes a period of high inflation like the 1970s, can make a huge difference. To see how much consumer prices have increased in the last 30 years, calculate the increase in consumer prices between April 1973 and April 2006. In April 1973, the CPI was 43.6. Incorrectly using subtraction would indicate that prices increased 157.9 percent. But using the correct formula of dividing 201.5 by 43.6 and then multiplying by 100 to turn it into a percent and then subtracting 100 to get the change shows the true rate of inflation was 362.2 percent—more than twice as fast as the incorrectly subtracted numbers suggested.

Putting together a formal escalation clause:

Often when people draft formal escalation clauses for rental agreements, labor contracts or other purposes, they write them in such a way as to provoke future arguments about exactly what index should be used and how. Before writing such a clause, consult the Bureau of Labor Statistics pamphlet “How to Use the Consumer Price Index for Escalation” at: www.bls.gov/cpi/cpi1998d.

Just Ask the Economist: If you know exactly what you're looking for, it's easy to find CPI information on the Web. It's under “Income and Wages” at the Idaho Labor Market Information Web site at <http://lmi.idaho.gov> or the U.S. Bureau of Labor Statistics at <http://www.bls.gov/cpi>. If you don't know exactly what you're looking for or aren't confident about how to make calculations using the CPI, just call one of seven Idaho Commerce & Labor economists, who will be happy to help you find the information that best meets your needs. Our phone numbers and e-mail addresses are listed throughout this publication.

Kathryn Tacke, Regional Economist

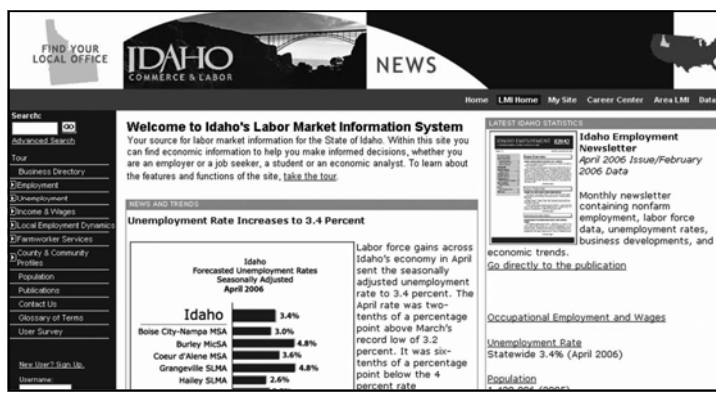
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WEB SITE PACKED WITH LABOR MARKET RESOURCES

Idaho's Labor Market Information Web site — <http://lmi.idaho.gov/> — is a key source for economic information about Idaho and how it compares to the U.S. on a variety of topics. The Web site has proven essential to businesses, students, job seekers, economic analysts and others. Find out for yourself.



Glossary of Labor Market Terms

Agriculture Employment: Persons on agriculture payrolls who work or receive pay for any period during the survey week. This includes owners, operators, unpaid family members who work at least 15 hours a week, and hired laborers.

Average Hourly Earnings/Average Weekly Hours: The average total money earnings earned by production or non-supervisory workers for selected industries. The average number of hours worked by production or non-supervisory workers including overtime, paid vacation, and sick leave. The data is collected for the week including the 12th of the month.

Average Weekly Earnings: Average Hourly Earnings multiplied by Average Weekly Hours.

Civilian Labor Force: A count of non-institutional persons 16 years of age and over residing within a specific geographic area, excluding members of armed forces, who are classified as employed, unemployed and seeking employment, or involved in a labor dispute.

Consumer Price Index (CPI): A national index measuring changes over time in the price of a fixed market basket of goods and services. There are two indexes—the All Urban Consumers (CPI-U) represents the buying habits of about 80 percent of the non-institutional population of the United States, and the Urban Wage & Clerical Workers (CPI-W) represents 40 percent of the population.

Covered Employers: Employers who are subject to state and federal Unemployment Insurance laws.

Durable Goods: Also known as “hard goods” because they include items manufactured or provided by wholesalers with a normal life expectancy of three years or more.

Employed: Individuals, 16 years of age or older, who worked at least 1 hour for pay or profit or worked at least 15 unpaid hours in a family business during the week including the 12th day of the month. Individuals are also counted as employed if they had a job but did not work because they were: ill, on vacation, in a labor dispute, prevented from working because of bad weather, or temporarily absent for similar reasons.

Initial Claim: Any notice of unemployment filed to request (1) a determination of entitlement to and eligibility for compensation or (2) a second or subsequent period of unemployment within a benefit year or period of eligibility.

Metropolitan Statistical Areas (MSA): Combinations of counties in which at least half the residents live in an urban center of 50,000 or more and the rest have significant commuting ties to that central county. The Office of Management and Budget designates the MSAs. Idaho has five MSAs: Boise MSA including Ada, Canyon, Boise, Gem and Owyhee counties; Bonneville MSA including Bonneville and Jefferson counties; Pocatello MSA including Bannock and Power counties; Lewiston MSA including Nez Perce County and Asotin County, Wash.; Coeur d’Alene MSA including Kootenai, Boundary, Bonner, Benewah and Shoshone counties.

Micropolitan Statistical Area (MicSA): Combinations of counties in which at least half the residents live in urban

centers totaling at least 10,000—or 5,000 living in a single urban center—and the rest have significant commuting ties to that central county. The Office of Management and Budget designates the MicSAs. Idaho has three MicSAs: Burley MicSA including Cassia and Minidoka counties; Rexburg MicSA including Madison and Fremont counties; Twin Falls MicSA including Twin Falls and Jerome counties.

Nonfarm Wage & Salary Employment: Persons on nonfarm establishment payrolls (including employees on paid sick leave, paid holiday, or paid vacation) who work or receive pay for any part of the week including the 12th of the month. It is a count of jobs by place of work. It does not include self-employed, unpaid volunteer or family workers, domestic workers in households, military personnel and persons who are laid off, on leave without pay, or on strike for the entire reference period.

Nondurable Goods: Also known as “soft goods” because they include items manufactured or provided by wholesalers that generally last for only a short period of time (three years or less).

Seasonally Adjusted: Data is seasonally adjusted to remove the impact of regular events that occur at the same time every year such as the effect of cold weather on outdoor activities, the Christmas holiday, or the summer influx of youth into the labor market.

Small Labor Market Areas (SLMA): Combinations of counties with significant ties through commuting patterns but no urban centers with populations of 10,000 or more. The Office of Management and Budget designates the SLMAs. Idaho has two SLMAs: Hailey SLMA including Blaine and Camas counties; Grangeville SLMA including Lewis and Idaho counties.

Unemployed: Those individuals, 16 years of age or older, who do not have a job but are available for work and actively seeking work during the week including the 12th of the month. The only exceptions to these criteria are individuals who are waiting to be recalled from a layoff and individuals waiting to report to a new job within 30 days—these, too, are considered unemployed.

Unemployment Insurance: Unemployment Insurance is a program for the accumulation of funds paid by employers, to be used for the payment of Unemployment Insurance to workers during periods of unemployment which are beyond their control.

Unemployment Rate: The number of persons unemployed expressed as a percentage of the labor force.

Weekly Benefit Amount: The amount payable to a claimant for a compensable week of total unemployment.

Weeks Claimed: The number of weeks that unemployed workers claimed Unemployment Insurance benefits.

Weeks Compensated: The number of weeks for which compensation was actually paid.